

PRESS RELEASE

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LIBERTY Ostrava update on proposed optimisation plan

LIBERTY Ostrava has today provided an update on its proposed optimisation plan which will lead to a long term, sustainable future for the business. The plan incorporates a new operational model which will enable the business to make dynamic production and planning decisions which are more effective, allowing its downstream rolling mills to operate at higher capacity and more profitably. As part of the plan, the process to restart Blast Furnace No. 3 and ramp up the steel works will now start in January.

Amid challenging market conditions for steel producers in Europe, a detailed review of LIBERTY Ostrava's product mix, production schedule and cost base has been carried out over the last few months. The proposed optimisation plan will focus on conserving cash by temporarily closing production of products for which there is little or no demand, such as wire rod, whilst producing high value products and products for which there is strong demand, such as road barriers, mine supports and threaded bars.

At the same time the team will aim to use the market conditions in Europe to its advantage through the opportunistic acquisition of low-cost, semi-finished imports for conversion in Ostrava's downstream rolling facilities. The business will also consider the options for its coke operations, as the European market is suffering from serious issues of over-supply which means that it is currently significantly cheaper to buy coke from the open market than produce it at Ostrava.

LIBERTY Ostrava has already been granted a special "preventive restructuring" moratorium to support the optimisation plan. The business will continue to engage with its energy provider in order to secure energy at a more competitive rates, which will allow the business to execute its optimisation plan and will lead to the repayment of all creditors over time.

The Ostrava optimisation process will continue to be run by Theuns Victor, supported by Pavel Sedivy (Ostrava's Managing Director Plant Operations) and his management team. The business will continue to pay employee salaries, wages and benefits as well as continuing to provide the same high level of customer service.

Ajay Aggarwal, LIBERTY's European President and Chairman of the LIBERTY Ostrava Board said: "We are taking significant steps forward in our efforts to finalise the optimisation plan. Our goal will then be to deliver that plan as quickly as we can in the New Year, including restarting blast furnace no.3 and the steel shop, ensuring that we reduce the understandable concerns of our highly committed employees, our valued customers and suppliers as well as the local communities which depend on our businesses."

Further information:

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Note to editors:

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 plans to invest 8.6 billion 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 state-of-the-art hybrid electric arc furnaces and the building of a new power line. The new furnaces, for which the contracts were signed at the beginning of July, will be delivered by Danieli, a leading global manufacturer of plant and machinery. At the same signing ceremony, LIBERTY Ostrava signed a Declaration of Cooperation with ČEZ ESCO to identify and develop renewable energy and hydrogen technologies and announced the launch of the GFG Foundation in the Czech Republic.

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.

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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