

PRESS RELEASE

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LIBERTY Ostrava optimisation plan update

LIBERTY Ostrava has today provided its key stakeholders with details of its optimisation plan which will improve the operational, commercial and financial performance of the business. The plan, which is expected to lead to the full repayment of LIBERTY Ostrava's creditors, has already gained the support of its large secured creditor. The business intends to restart Blast Furnace No. 3 in January and then ramp up production in the following months, in line with the steel market recovery in Europe.

The optimisation plan focuses on conserving cash by temporarily closing production of products for which there is poor demand, such as wire rod, whilst focusing on the production of high value products and products for which there is strong demand, such as seamless & spiral pipe, road barriers, mine supports and threaded bars.

At the same time the team intends to use the near-term market conditions in Europe to its advantage through the opportunistic acquisition of lower-cost, semi-finished imports such as HRC for conversion in Ostrava's downstream rolling facilities.

The business will also consider strategic options for its coke operations, as the European market is suffering from serious issues of over-supply and uncompetitive inputs which means that it is now significantly cheaper to buy coke from the open market than produce it at Ostrava.

The optimisation plan shows a path to profitability and an ability to pay back creditors aided by significant support from LIBERTY Steel Group and without the need for an injection of additional external funding. In addition, the plan explores options to incorporate external strategic partners and the sale of non-production land and buildings.

The business will aim to renegotiate onerous contracts with specific creditors to align them to standard market terms, especially with its major energy supplier. The business has already proposed to the court the appointment of a provisional insolvency administrator for that supplier to facilitate our negotiations in finding a joint solution for the profitable and sustainable operation of both businesses.

The business, which remains solvent will continue to pay employees and serve customers, and is being supported in its optimisation plan by a team of international specialists based at the site.

Ajay Aggarwal, LIBERTY's European President and Chairman of the LIBERTY Ostrava Board said: "We are pleased that we are now able to share the specifics of our optimisation plan with all of our stakeholders. We believe this plan, which has been developed following a comprehensive review of our business and our markets, is the best way to achieve a sustainable future of the business, for its

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employees, creditors and for our local communities. We look forward to working with our stakeholders to realise that ambition in the coming months.”

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 S teel 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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