

PRESS RELEASE

21 December 2023

LIBERTY Ostrava granted a general moratorium

LIBERTY Ostrava has today been granted a general “preventative restructuring” moratorium (“general moratorium”) to provide the time to discuss its optimisation plan in detail with its creditors, positioning it for long-term success for the benefit of all stakeholders.

The general moratorium will incorporate all of LIBERTY Ostrava’s creditors and will give them time to understand and support the plan. The process, which has already started through the presentation of the business’s optimisation plan to creditors, is expected to lead to the full repayment of those creditors over time. The general moratorium only concerns LIBERTY Ostrava, which remains solvent, and will not impact Ostrava’s day-to-day operations or employment.

Under LIBERTY Ostrava’s optimisation plan the business has a route to profitability and ability to pay back creditors through the planned restart of Blast Furnace No.3, a focus on producing profitable products only, the exploration of strategic options for its coke oven operations and the sale of surplus land and buildings. The plan will be supported by LIBERTY Steel Group and an international team of specialists based at the site working alongside local management.

Notes

- On 29 November, LIBERTY Ostrava was granted a special “preventive restructuring” moratorium against its main energy provider to allow it to try and secure energy at a more competitive rates.
- Preventive restructuring is meant to be consensual. However, the rules enable a dissenting creditor to be overcome by majority creditors or by the court’s discretion.
- o There are a few conditions that a company must meet to be granted a moratorium, including:
 - o the company must not be insolvent, but its financial situation needs to be so serious that without restructuring, it will likely become insolvent;
 - o its directors must act in good faith regarding the restructuring efforts, the viability of the business and its prospects.
- Now that LIBERTY Ostrava has received Court approval, the process must be initiated within the next thirty days and the restructuring plan should be approved by a majority (75%) of creditors within three months after that.
- The general moratorium does not include any other LIBERTY Steel Group or GFG Alliance operating companies, which will continue to operate as normal.

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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