



ArcelorMittal

ArcelorMittal South Africa Limited

(Incorporated in the Republic of South Africa)

(Registration Number 1989/002164/06)

Share Code: ACL

ISIN: ZAE000134961

("ArcelorMittal South Africa" or the "Company")

UPDATE ON THE LONG STEEL BUSINESS AND FURTHER CAUTIONARY ANNOUNCEMENT

Further to the announcement released on the Stock Exchange News Service ("SENS") of the JSE Limited on 19 March 2025 ("19 March SENS"), ArcelorMittal South Africa is pleased to inform shareholders that the decision to wind down ArcelorMittal South Africa's Long Steel Business ("Longs Business") will be deferred for an initial period of at least 6 months, up to 31 August 2025 ("Deferral Period").

As noted on 6 February 2025, in the announcement of ArcelorMittal South Africa's financial results for the year ended 31 December 2024, the Longs Business will only continue to operate with financial support as the Company does not have the ability to bear any further financial risk (neither on a funding nor earnings basis) associated with the continued operations of that business.

The deferral of the wind down has accordingly been enabled by a facility (the "IDC facility") provided by the Industrial Development Corporation of South Africa SOC Limited (the "IDC") in the amount of R1 683 million. The IDC facility is repayable by agreement between the parties and subject to, *inter alia*, the financial performance, solvency and liquidity of Longs Business.

ArcelorMittal South Africa has also made certain undertakings regarding the continued operation of the Longs Business and retention of jobs for the Deferral Period.

As announced in the 19 March SENS, the Company will continue to consider various strategic alternatives, and as such the agreement relating to the IDC facility was subject to certain conditions precedent, including ArcelorMittal South Africa confirming that the IDC may conduct a due diligence exercise on the Company, which will be conducted by the IDC during the Deferral Period. All the conditions precedent to the IDC facility have been fulfilled.

Further announcements will be made regarding these matters as and when appropriate.

The IDC facility is part of a comprehensive package of intended initiatives aimed at positioning the Longs Business for future sustainability and profitability.

The Company has also received a Temporary Employee Relief Scheme ("TERS") grant to assist in funding employee costs and has undertaken to apply any TERS funding received in respect of employee costs relating to the Longs Business, which will reduce the draw down required against the IDC facility.

Accordingly, the Section 189(3) of the Labour Relations Act consultation process will be suspended, although certain areas outside the Longs Business may still be subject to restructuring due to operational reasons. The Newcastle works blast furnace will continue operating and the Company envisages that the needs of the Longs Business customers will be met during the Deferral Period and is engaging with customers to facilitate this. Engagements

with customers and suppliers will be intensified to develop a more sustainable long term supply relationship, as the uncertainty over the past two years has been extremely disruptive and uncertain.

The South African Government (“Government”) will use the Deferral Period to expeditiously address the structural problems previously identified by the Company (scrap Preferential Pricing System (“PPS”), scrap export tax, tariff measures including safeguards, and others) to put the Longs Business on a sustainable footing. During the Deferral Period, ArcelorMittal South Africa will focus on implementing further improvements to optimise the Longs Business operations, enhance product offering and supply chain reliability for customers, and advance its commitment to localisation, particularly through continued collaboration with the industry, resulting in a superior performance for the business.

The intervention by Government and the IDC will assist in keeping the Longs Business operational while a viable sustainable long-term solution is being sought. Based on the engagements between the Company and Government to date, it is the Company’s understanding that a more market-related and less punitive PPS and export tax on scrap dispensation will be implemented soon, and that the implementation of safeguards is imminent. This will be strongly supportive of levelling the steel industry playing field to the benefit of the country.

The Company extends its appreciation to Government, and in particular Minister Tau for his leadership during the engagement, the Department of Trade, Industry and Competition, the IDC, as well as all stakeholders, including customers, suppliers, and organised labour, for their role in supporting the continuation of this critical industrial capacity for the country.

ArcelorMittal South Africa values the dedication of its employees and recognises the critical role they play in sustaining the business and its broader contribution to the economy.

The Company is also very encouraged by the emerging signs of demand growth in the South African economy, with potential for the steel market, due to recent opportunities emerging in a number of sectors, for example, energy. Should it materialise, this will have a positive effect on the high-quality products manufactured and supplied by the Longs Business in particular.

Shareholders are advised to continue to exercise caution when dealing in the Company's securities until a further announcement is made.

Vanderbijlpark
31 March 2025

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Sponsor

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