Interim Financial Report

Half-year ending June 30, 2022

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Message from the Chief Executive Officer

Dear Shareholders,

I am proud to present to you our 2022 Interim Financial Report, which reflects our performance and key achievements during the first six months of the year.

Safety first, the health and safety of our employees remains our top priority, yet we need to remain vigilant, as our lost time injury frequency rate in the first half of 2022 remains elevated at 2.2x compared to 2.3x a year ago. To ensure that no one working for Aperam suffers any harm from her or his work, a specific action plan has been launched to counter this trend and reach our ultimate goal of becoming an accident free workplace.

On financial performance, Aperam achieved its most profitable half-year since its creation in 2011. Our EBITDA represented €712 million and Cash flow from operations represented €166 million resulting mainly from €491 million of working capital build due to increased raw material and stainless prices. On the operational side, demand continued to be strong in Europe and Brazil. In Europe, slightly lower volumes were more than compensated by favorable price and input cost development and higher inventory valuation gains. In Brazil, the increase in volume and the higher inventory valuation gains, compensated for the input cost developments.

Aperam achieved these record earnings despite the nickel volatility that affected the market during the first half of the year. The strength of our risk management procedures and the agility of our operations helped us weather the market failure in nickel without any negative effect. Our nickel requirement is mostly covered by stainless steel scrap and there is no shortage of such material. Likewise, Aperam benefits from having the most comprehensive value chain in the industry ranging from our scrap collection with ELG in Europe, our charcoal produced with our own forests in Brazil to our own distribution network with Services and Solutions. We are confident this is a key advantage in a more volatile world, which will help us to further reinforce Aperam's competitiveness.

The trade defence measures against unfair competition continued to be effective with a new countervailing duty introduced in Europe against imports from India and Indonesia in Q1 2022. However, the elevated prices levels in Europe compared to domestic prices, attracted elevated levels of imports from Asia during the entire first half of the year.

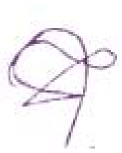
We continue to make strides in our sustainability journey. In Q1 of 2022, we were able to announce that we emit just 330 kg of CO_2 per tonne of steel or about a third of the stainless industry average emissions. Our roadmap is for reducing this by 30% in 2030 versus the 2015 comparable baseline. We were also proud to report that 90% of our revenues from stainless divisions in 2021 were qualified under the new EU taxonomy for environmentally sustainable activities.

Thanks to a combination of cost reductions, growth and mix improvements under Phase 4 of our Leadership Journey®, we are adapting our footprint to defend our cost leadership in Europe by targeting volumes and expertise at the most efficient lines. This will form a solid basis for the second stage where the resulting increase in productivity will be used for our mix improvement and growth measures. As a reminder we target €150 million of gains over the period 2021 to 2023 under this

Phase; and have already reached cumulative gains of €80 million at the end of June 2022. While executing our detailed Phase 4 of the Leadership Journey®, we are already working on further improvement measures post 2023. We announced in 2021, the investments in revamping the hot rolling mill for long products in Imphy (France), the re-start of the Argon Oxygen Decarburization converter project in Genk (Belgium) that was put on hold in 2019, as well as the revamping of our hot rolling mill in Timóteo (Brazil) to further improve our product mix. These projects, together with the planned specialties downstream centre in Gueugnon (France), will further contribute to the reorientation of our product portfolio towards specialties.

Since the acquisition of ELG last December, the integration process is ongoing and is moving as expected under the new Aperam Recycling and Renewables segment. We are on course to deliver the synergies announced for 2022.

To conclude, while the first half has been very successful, the world is now facing political and economic uncertainty from sliding and volatile commodity prices, inflation and a looming energy crisis in Europe. In this context, we will continue to focus on maintaining a strong balance sheet, on efficiency and on our strategy execution. Looking forward, I am confident that our ongoing focus on sustainability, innovation, growth and mix improvements combined with our focus on competitiveness will ensure that we are well placed to deliver stakeholder value for many years to come.



Timoteo Di Maulo, Chief Executive Officer

Glossary

This Interim Financial Report includes Alternative Performance Measures (APM), which are non-GAAP financial measures. Aperam believes these APMs are needed to enhance the understanding of its financial position and to provide additional information to investors and management with respect to the Company's financial performance, capital structure and credit assessment. The definition of these APMs are the same since the creation of the Company. These non-GAAP financial measures should be read in conjunction with, and not as an alternative for, Aperam's financial information prepared in accordance with IFRS. Such non-GAAP measures may not be comparable to similarly titled measures applied by other companies. These APMs are detailed in the section "Operational Review", found later in the Report.

Financial Measures:

- "**adjusted EBITDA**" is defined as operating income[1] before depreciation, amortization and impairment expenses and exceptional items
- "**EBITDA**" is defined as operating income[1] before depreciation[1], amortisation[1] and impairment expenses[1]
- "**exceptional items**" consists of (i) inventory write-downs equal to or exceeding 10% of total related inventories values before write-down at the considered quarter end (ii) restructuring (charges)/gains equal to or exceeding €10 million for the considered quarter, (iii) capital (loss)/gain on asset disposals equal to or exceeding €10 million for the considered quarter or (iv) other non-recurring items equal to or exceeding €10 million for the considered quarter
- "**free cash flow before dividend and share buy-back**" is defined as net cash provided by operating activities[1] less net cash used in investing activities[1]
- "**gearing**" is defined as net financial debt divided by equity[1]
- "**net financial debt**" or "**NFD**" refers to long-term debt[1] plus short-term debt[1], less cash and cash equivalents[1] (including short-term investments)[1]
- **others and eliminations** to segment operating income reflects certain adjustments made to operating income of the segments to reflect corporate costs, the elimination of stock margins between segments and/or non-operational items that are not segmented.

Other terms used in this Interim Report:

- "**annealing**" refers to the process of heating cold steel to make it more suitable for bending and shaping and to prevent breaking and cracking
- "**carbon steel scrap**" refers to recycled carbon steel that is re-melted and recast into new steel
- "**cold rolling**" refers to the forming method employed after hot rolling
- "**downstream**" refers to finishing operations. For example, in the case of flat products, the downstream would be the operations after the production of hot-rolled coil
- "**IFRS**" means International Financial Reporting Standards as adopted in the European Union
- "**Lost Time Injury Frequency rate**" (LTIF) is a key metric that measures the time lost due to injuries per 1,000,000 worked hours
- "**pickling**" refers to the process where steel coils are cleaned using chemical baths to remove impurities, such as rust, dirt and oil
- "**production capacity**" refers to the annual production capacity of a plant and equipment based on existing technical parameters as estimated by management
- "**R$**" or "**BRL**" are Brazilian Real and are converted into € using the closing exchange rate of €1= R$5.4842 as of June 30, 2022
- "**sales**" include shipping and handling fees and costs billed to a customer in a sales transaction
- "**significant shareholder**" means trusts (HSBC Trust (C.I.) Limited, as trustee) of which Mr. Lakshmi N. Mittal, Ms. Usha Mittal and their children are the beneficiaries, holding Aperam shares through Value Holdings II Sàrl, a limited liability company organised under the laws of Luxembourg ("Value Holdings II")

[1] Those measures are derived directly from the financial statements (see Notes to the Interim Condensed Consolidated Financial Statements).

- "**spin-off**" refers to the transfer of the assets comprising ArcelorMittal's stainless and specialty steels businesses from its carbon steel and mining businesses to the Company, and the pro rata allocation of the ordinary shares of the Company to ArcelorMittal shareholders
- "**steckel mill**" refers to reversing steel sheet reduction mills with heated coil boxes at each end where steel strip is sent through the rolls of the reversing mill and then coiled at the end of the mill, reheated in the coil box and sent back through the steckel stands and recoiled
- "**tonnes**" refers to metric tonnes and are used in measurements involving stainless and specialty steel products (a metric tonne is equal to 1,000 kilograms or 2,204.62 pounds)
- "**U.S.$**" or "**USD**" are U.S. dollars and are converted into € using the closing exchange rate of €1= U.S.$1.0387 as of June 30, 2022
- "**upstream**" refers to operations that precede downstream steel-making, such as coke, sinter, blast furnaces, electric arc furnaces, casters and hot rolling/steckel mills

Management Report

Group Overview

Introduction

Aperam, including its subsidiaries (hereinafter referred to as “Aperam”, “the Company”, “We” or “the Group”) is a leading global stainless and specialty steel producer, and the world’s lowest CO_2 footprint[1] stainless steel producer thanks to its European production route based on fully recyclable stainless steel scrap, and the use of charcoal from its own sustainable cultivated forests in Brazil.

On December 27, 2021, Aperam became the legal owner of ELG, a global leader in stainless steel and superalloys recycling. ELG is fully consolidated into the Aperam Group as from the acquisition date under a new operating segment ‘Recycling’, since then integrated into a new segment “Recycling and Renewables” in Q1 2022.

Aperam has an annual production capacity of 2.5 million tonnes and is a leading stainless and specialty steel producer in South America and the second largest producer in Europe. We are also a leading producer of high value added specialty products, including grain oriented (GO) and non-grain oriented (NGO) electrical steels and specialty alloys. Our production capacity is spread across six production facilities located in Brazil, Belgium and France. As of the end of June 2022, we have a workforce of about 10,600 employees. Our distribution network is comprised of 15 Steel Service Centres (SSCs), 5 transformation facilities and 15 sales offices. Our products are sold to customers in over 40 countries, including those operating in the aerospace, automotive, catering, construction, household appliances, electrical engineering, industrial processes, medical, and oil & gas industries.

Aperam posted sales of €5.1 billion and EBITDA of €1.186 million for the year ending December 31, 2021. Shipments amounted to 1.82 million tonnes for the year ending December 31, 2021.

For the six months ended June 30, 2022, Aperam had €4.7 billion in sales and shipments of 1.31 million tonnes, compared to the respective €2.4 billion and 0.97 million tonnes posted for the six months ended June 30, 2021.

Contacts

The Company is a Luxembourg public limited liability company (*société anonyme*) incorporated on September 9, 2010.

The Company has its registered office at 24-26 Boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg, and is registered with the Luxembourg Register of Commerce and Companies under the number B155.908.

The mailing address and telephone number of Aperam’s registered office are: 24-26 Boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg, tel: +352 27 36 27 00.

To contact Aperam by email, please write to contact@aperam.com. Please include your full name, postal address and telephone number.

[1] Scope 1 and 2.

Our history

On December 7, 2010, the Board of Directors of Aperam and the Board of Directors of ArcelorMittal approved a proposal to its shareholders to spin-off ArcelorMittal’s stainless and specialty steels businesses. The objective of establishing an independent company was to enable the stainless and specialty steels businesses to benefit from better market visibility by pursuing a growth strategy focused on emerging markets and specialty products, including electrical steel. On January 25, 2011, at an extraordinary general meeting, the shareholders of ArcelorMittal voted to approve the spin-off proposal.

The main shareholder ("Significant Shareholder") holds 40.96% of the voting rights. Please refer to the share capital section of this Management Report for the definition of the term "Significant shareholder".

On December 27, 2021, Aperam announced the completion of the acquisition of ELG, a global leader in collecting, trading, processing and recycling of stainless steel scrap and high performance alloys.

Market analysis

The following discussion and analysis should be read in conjunction with Aperam's consolidated financial statements and the related notes as of and for the year ended December 31, 2021, which can be found in Aperam's 2021 Annual Report, along with the unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2022, which are included in this report.

Market environment

Our operational results are primarily affected by external factors that impact the stainless and specialty steel industry in general and, in particular, stainless and electrical steel pricing, demand for stainless and specialty steels, production capacity, trends in raw material, energy prices, and fluctuations in exchange rates. In addition to these external factors, our operational results are affected by certain factors specific to Aperam, including several initiatives we introduced in response to the challenging economic environment. These factors are described in greater detail below.

After GDP and Industrial Production (IP) growth collapsed in 2020 due to the Covid-19 induced crisis and lockdown measures globally, growth for 2021 improved, however rather uneven, mainly due to pandemic factors, which affected economies differently. China as well as other Asian countries, like Taiwan, recovered quicker, thanks to aggressive health interventions, policy support and booming export demand for key products where they can rely on their production base. Early 2021, new waves of infection and death rates affected recovery, primarily driven by developing countries in which the latest surge was impacted by new variants, weaker social distancing, especially in areas of sub-optimal vaccine deployment. Covid-19 restrictions primarily impacted the service sector, especially hospitality & entertainment, while consumers increased spending on goods above pre-virus levels.

For 2022, most of the GDP growth forecasts have been revised downward with increasing inflation risk and the raise of interest rates. China's first half of the year suffered a economic slow down, reflecting a slump due to a two-month lockdown in Shanghai in April and May and underpinned by strong fiscal support in infrastructure investment, a rather quick industrial recovery in the automotive sector and relatively strong export since June. Its second half of the year expectations are more uncertain, due to the depressed real estate market and a large economic stimulus package which could have limited impact with the current rebound of Covid infections and restrictions across the country. The Euro area has had a contraction on their economic growth; the weakening was broad-based across countries and sectors. Despite bottlenecks in the manufacturing sector continuing to improve, price pressures remain acute. The energy crisis in Europe, with higher uncertainty on the Russian gas supply, continues to drive inflation upwards, together with food prices pressure and an increasing tightness in the labour market. In Brazil, after a strong recovery in 2021, GDP growth is expected to slow significantly in 2022, before picking up in 2023. Rising inflation, the war in Ukraine, and tighter financial conditions have eroded economic sentiment and purchasing power, which has dented domestic demand in the first half of 2022; the 2022 presidential election is adding uncertainty, helping to keep investment subdued until 2023. The labour market recovery has been slow; real labour incomes remain below pre-pandemic levels.

Stainless steel pricing

The stainless steel market is a global market. Stainless steel is suitable for transport over long distances, as logistics costs represent a small proportion of overall costs. As a result, prices for commoditised stainless steel products evolve similarly across regions. However, in general, stainless steel products are not completely fungible due to wide variations in shape, chemical composition, quality, specifications and application, availability of local raw material and purchase conditions - all of which impact sales prices. Accordingly, there remains a limited market for uniform pricing or exchange trading of certain stainless steel products.

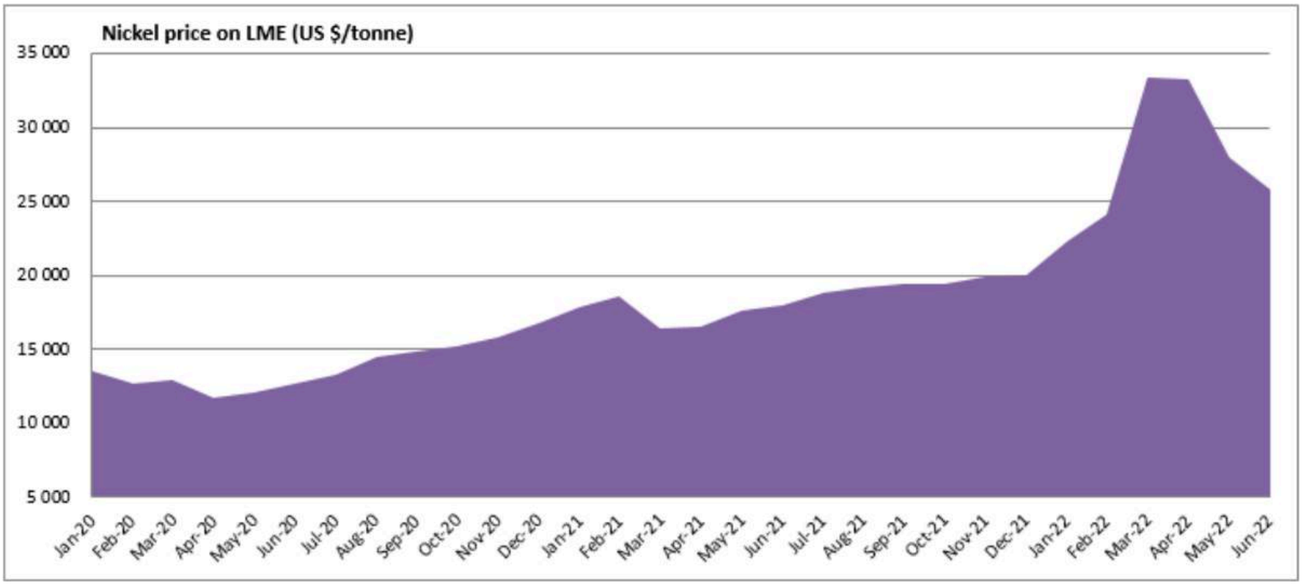
Stainless steel is a steel alloy with a minimum of 10.5% chromium content by mass and a combination of alloys that are added to confer certain specific properties depending on the application. The cost of alloys used in stainless steel products varies across products and can fluctuate significantly. Prices of stainless steel in Europe and the United States are concluded as either fixed prices or generally include two components:

> the "base price", which is negotiated with customers and depends on market supply and demand; and
> the "alloy surcharge", which is a supplementary charge to the selling price of steel that offsets the purchase price increases in raw materials, such as nickel, chromium or molybdenum, by directly passing these increases onto customers. The concept of the "alloy surcharge", which is calculated using raw material purchase prices, among which some are quoted on certain accepted exchanges like the London Metals Exchange (LME), was introduced in Europe and the United States in response to significant volatility in the price of these materials.

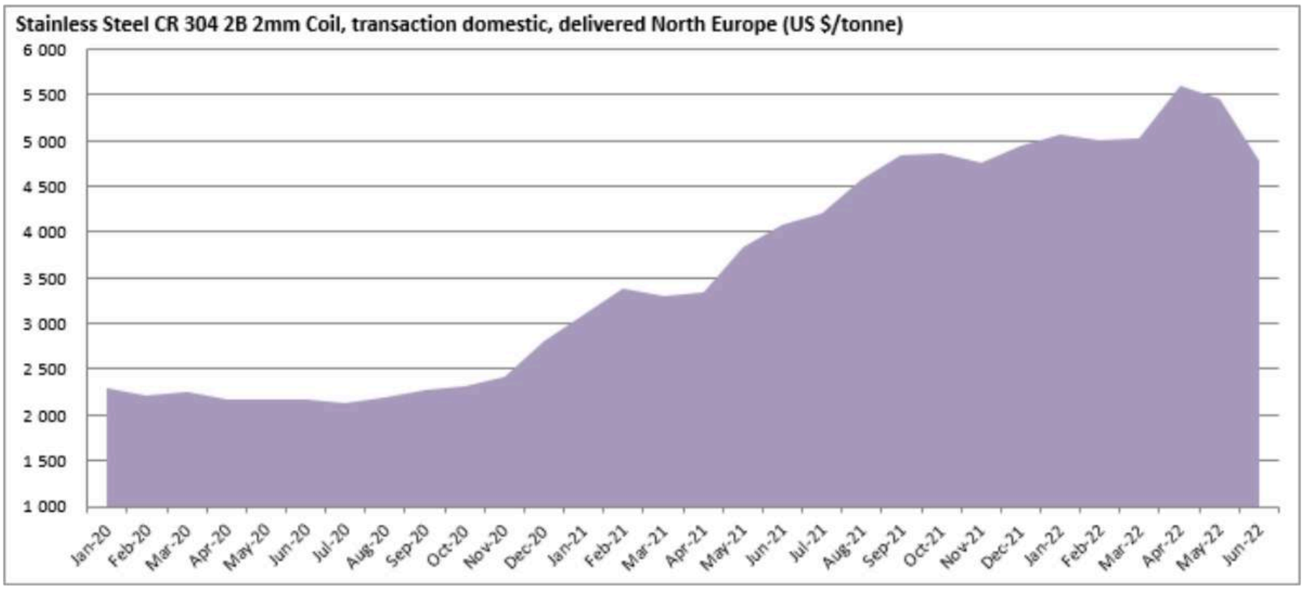
Notwithstanding the application of the "alloy surcharge", the Group is still affected by changes in raw material prices. This is particularly true for nickel, which in the last decade experienced some sudden spikes, before coming back to a lower level. In general, when the price of nickel is falling, purchasers delay ordering stainless steel products in order to benefit from expected price decreases. This in turn has the effect of reducing demand in the short term. By contrast, when nickel prices are rising, purchasers tend to acquire larger quantities of stainless steel in order to avoid having to buy at higher prices.

The graphs below show the price of nickel on the LME and the European transaction price for CR304 stainless steel for the period running from January 1, 2022 to June 30, 2022:

Graph: Nickel price on the LME (in U.S.$/tonne)



Graph: Stainless Steel/CR304 2B 2mm Coil Transaction Price/Southern Europe Domestic Delivered (in U.S.$/tonne)



Source: Nickel prices have been derived from the LME. Stainless steel/CR304 2B 2mm coil transaction price/Southern European domestic delivered prices have been derived from Steel Business Briefing ("SBB").

Raw material prices are described in more detail in the “Raw Materials and Energy” section below.

Electrical steel pricing

The prices of Grain Oriented (GO) and Non Grain Oriented (NGO) steels were strongly affected once again by the global demand and supply dynamics during the first half of 2022. Global impact events such as the Covid-19 lockdown measures in China and the war on Ukraine directly affected the global availability of the electrical steel from two major producers worldwide, China and Russia, respectively, causing the observed effect on the electrical steel prices. In the first half of 2022, NGO prices decreased by approximately -10% compared to the second half of 2021, a consequence of the difficult political and economic scenario mentioned above. GO prices on the other hand, sustained a very strong growth with prices increasing by nearly 35% over the same period, mainly due its very limited global production capacity and to the shifting production capacity movement from GO towards NGO for Electric Vehicles (EV) put in place by major electrical steel mills during the period, restricting even more the GO global availability.

Demand for stainless and electrical steel and specialty alloys products

Demand for stainless and electrical steel, which represents approximately 2.5% of the global steel market by volume, is affected to a significant degree by trends in the global economy and industrial production. Short-term demand is also affected by fluctuations in nickel prices, as discussed in greater detail in the "Stainless Steel Pricing" section above.

For 2022, the macro environment is deteriorating leading to a weakening of demand and an increase of stocks globally. This is reinforced by Covid restrictions in China since the beginning of the year, which has resulted in a drop of domestic demand, high stocks and high exports as well as a drop of China prices. This pressure in China is spreading globally. In Europe, the high gap between domestic prices and imports prices during the first half of the year, attracted a massive volume of imports. This partly feeds stocks in a context of weakening demand and declining stainless steel prices. Fall of prices is being reinforced by lower raw materials cost, and especially by the weakening price of nickel. Brazil had limited growth during H1, affected by high inventory levels in Q1 but delays on transit imports benefited prices in Q2.

With respect to electrical steel, Asia is the most important source of demand but also supply, and as a consequence its prices are dependent in particular upon the Asian context. The removal of exports rebate in China had positive influence on prices overseas, and difficulties in exports due to logistics constraints in Asia affected the international prices environment.

The specialty alloys market saw a contrasted first half of the year 2021 after the Covid-19 induced crisis in 2020. The automotive sector partially recovered early 2022. The aerospace sector showed signs of improvement in terms of demand, whereas the Oil & Gas market only showed few project developments. The LNG market was at a lower cycle due to the postponement of several ships. The ongoing recovery in the nickel alloy market accelerated during the last quarter of 2021. In terms of volumes, the market was close to normal 2019 quarterly levels, compared to the same quarter a year ago.The world-wide nickel alloy demand for long and flat products was around 21% higher than 12 months ago.Particularly, use for aerospace engine parts was better than expected. Automotive remained weak due the ongoing chip shortage. Expectations for 2022 in the Aerospace industry, are that it will continue to grow, with around 10-20%. On Oil/Gas, a further strong recovery is expected, as leading service companies are optimistic for the year. It is assumed that deliveries for various gas projects will further drive the market in 2022 and maybe into 2023. On the automotive side, after a disappointing year 2021 – the market will grow this year again. Further supply chain problems are however expected which could dampen growth. Concerning power generation, the market will further increase in 2022. The electronic Alloys market is growing in line with the development in consumer goods. On the upside, long-term technological changes continued to drive and boost new applications for Aperam’s specialty alloys products in electronics, e-mobility or energy transition.

Production and capacity

After a strong rebound in 2021, the cold-rolled stainless steel production in 2022 is only expected to grow between 0% and 2% globally, as demand has been negatively impacted during H1 mostly in China by Covid restrictions; for rest of the year there is still uncertainty about China recovery, and there are considerations on a weakening of macro outlook ex-China, resulting from high inflation, raising interest rates and war in Ukraine.

The global structural overcapacity is estimated to have grown due to additional capacity in China, where cold rolled overcapacity could exceed 3 million tonnes this year. This increase of overcapacity is reinforced by lower than expected domestic apparent consumption of cold rolled even if exports keep increasing.

Considering the steady increase of stainless steel capacity in Indonesia in the last years, and China not taking sufficient measures to address its own overcapacity issue, it is unlikely that noticeable overcapacity reductions will take place in the near future, thus keeping under pressure the global stainless value chain and trade flows.

Import pressure significantly increased in Europe during H1 2022. Healthy demand in Europe at the beginning of the year combined with oversupply in China which benefited from cheap NPI led to a high price gap between China and Europe despite 24.7% anti-dumping duties, thus bringing large volumes of Chinese materials into Europe.

Competition

Aperam is a leading flat stainless steel producer in South America, the second largest producer in Europe and one of the top ten flat stainless steel producers in the world.

Aperam's main competitors in Europe are Outokumpu, Acerinox and Arvedi Acciai Speciali Terni S.P.A. Globally, the competitive landscape has transformed over the past years, with Chinese producers Tsingshan, TISCO-BaoWu (formerly known as Baosteel) and Beihai Chengde now ranking among the 10 largest global flat stainless steel producers in the world. In South America, we face competition primarily from imports from Asia and, to a lesser extent, North America.

Developments regarding trade measures

In the first half of 2022, effective measures against unfair trade have been put into place.

European Union

Summary table of actions against unfair trade

	Safeguard	Anti-dumping (AD)	Countervailing duties (CVD)
Aim	• Maintain traditional trade flows • Volume focused	• Duty on imports that are priced below fair market value • Price focused	• Neutralize effect of subsidies that benefit certain imports • Price focused
Countries affected	• All countries globally (if not explicitly exempt) • Effective since February 2019 till July 2024	• Hot rolled: China, Indonesia, Taiwan since Oct. 2020 for 5 years • Cold rolled: China , Taiwan since 2015, Indonesia, India since May 21	• Cold rolled: India, Indonesia since March 2022 for 5 years[2]
Measure	• HR quota 364kt pa* CR quota 861kt pa* • Largest importers have a country quota. A residual quota for all others • 25% duty for shipments > quota	• HR: China 9.2% - 19.0%, Indonesia 17.3%, Taiwan 4.1% - 7.5% • CR: China 25.3%, Taiwan 6.8% (extended for 5 years to 09/2026) • India (10%-35.3%), Indonesia (9.3%-20.2%)	• Cold Rolled: India (4.3-7.5%), Indonesia (13.5%-21.4%) except PT. Jindal Stainless Indonesia
New initiatives	• South Africa to be included in the safeguard		

**Effective quota from 1 July 2021 to 30 June 2022. Quotas are quarterly from 07/20. There is one global SS Hot Rolled quotas since July 2020 SS CR: country quotas S. Korea, Taiwan, India, USA, Turkey, Malaysia, Vietnam **could be difference between domestic market price and export price or cost based [2] "according to Article 18 of Regulation (EU) 2016/1037*

1. Safeguard measures on import of steel products

The EU has prolonged for three additional years the safeguard measure currently in place on imports of certain steel products. The prolongation has been applied from July 1, 2021. The initial safeguard measure was introduced in July 2018 to protect the Union steel market against trade diversion, following the US decision to impose, under its Section 232 legislation, duties on imports of steel into the US market. The US Section 232 measures are still in force.

On June 25, 2021, the European Commission published amending Commission Implementing Regulation (EU) 2019/159 to prolong the safeguard measure on imports of certain steel products. These measures took effect on July 1, 2021, for a period of three years, expiring on July 30, 2024.

The main adopted adjustments to the existing steel safeguard measures are the following:

Length of the prolongation

- current measures (quarterly product-specific tariff-free quotas combining country-specific and residual quotas) are prolonged for 3 additional years until June 30, 2024

Liberalization

- the current liberalization rate of +3% per year remains unchanged for the first year of the prolongation (until June 30, 2022)
- the +3% liberalization rate could however be reviewed and, if necessary, changed for the period after June 30, 2022

Review of the regime during prolongation

- the Commission will carry out a review to see whether, on the basis of the circumstances at that time, the measures should be terminated by June 30, 2023 (after 2 years of prolongation)
- in addition, the Commission will do a review of the functioning of the measures (not the possible termination) to see if there would be any modality changes needed from July 1, 2022 (after the first prolongation year) - this would be a "functioning review" like those conducted in 2019 and 2020
- Finally, an immediate review will be triggered if the US introduces changes to its Section 232 measure on steel that may have a significant impact on the unduly diverted trade flows it currently generates

Product scope

- The prolonged tariff-rate quotas apply to the same products as the current ones

For further details please refer to the following link:
https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R1029&from=EN

On December 17, 2021, the Commission opened the expected safeguard review on the TRQ functioning and impact of the EU-US S232 deal.

For further details please refer to the following link:
https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021XC1217(02)&from=EN

Here below, main changes impacting stainless steel flat products (category 8 and 9) included in the Commission proposal, approved by Member States on June 8, 2022 and published in the Commission Implementing Regulation (EU) 2022/978 of June 23, 2022 amending Implementing Regulation (EU) 2019/159 imposing a definitive safeguard measure on imports of certain steel products.

- Liberalization of the quotas, from 3% to 4%
- Allocation and management of the quotas: no changes for stainless steel categories
- Crowding out of traditional trade flows: no more access to the available residual quota at the beginning of the fourth quarter for SSCR
- Update of the list of developing countries: China and India included in category 9 (SSCR), Turkey included category 8 (SSHR), Malaysia and Thailand excluded category 9 (SSCR).

Type of Products	Allocation by Country	Volume of tariff-rate quota (Kton) From 1.7.2022 to 30.9.2022	Volume of tariff-rate quota (Kton) From 1.10.2022 to 31.12.2022	Volume of tariff-rate quota (Kton) From 1.1.2023 to 31.3.2023	Volume of tariff-rate quota (Kton) From 1.4.2023 to 30.6.2023
Hot Rolled Stainless Steel Flat Products	Third Countries	105.6	105.6	103.3	104.4
Cold Rolled Stainless Steel Flat Products	South Korea Taiwan India South Africa USA Turkey Third Countries	47.8 44.3 29.6 25.8 24.1 20.0 63.6	47.8 44.3 29.6 25.8 24.1 20.0 63.6	46.7 43.3 29.0 25.2 23.6 19.6 62.3	47.3 43.8 29.3 25.5 23.8 19.8 63.0

Anti-dumping measures on cold rolled stainless steel originating in China and Taiwan, India and Indonesia, and on hot rolled stainless steel originating in China, Taiwan and Indonesia continue during the imposition of safeguard measures.

Once the quota is filled, to avoid the imposition of double remedies, the highest level of safeguard and/or the anti-dumping duties are to be applied.

2. Expiry review of the anti-dumping measures applicable to imports of stainless steel cold-rolled flat products originating in the People's Republic of China and Taiwan

Type of products	Countries	Definitive Anti-dumping duty (%)	Effective from
Cold Rolled Stainless Steel Flat Products	People's Republic of China	From 24.4% up to 25.3%	March 26, 2015(1)
Cold Rolled Stainless Steel Flat Products	Taiwan	6.8% except China Far 0%	March 26, 2015(1)

Note:
(1) Entry into force from the day following that of the publication of the provisional measures in the Official Journal of the European Union. The measures have been implemented for a 5-year-period.

On August 25, 2020, the European Commission published in the Official Journal the "Notice of initiation of an expiry review of the anti-dumping measures applicable to imports of stainless steel cold-rolled flat products originating in the People's Republic of China and Taiwan".

The request for an expiry review was lodged by the European steel association Eurofer on May 27, of the same year.

For further details please refer to the following link:
https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOC_2020_280_R_0006&from=EN

On July 2, 2021, the European Commission released the definitive disclosure announcing the intention to maintain the existing AD duties on imports of SSCR originating in China and Taiwan for additional 5 years.

On September 16, 2021, the European Commission extended definitive anti-dumping duties on imports of stainless cold-rolled (SSCR) flat products from China and Taiwan.

The extended duties will remain in place until September 15, 2026.

For further details please refer to the following link:
https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1483&qid=1631777843356

3. Anti-dumping proceeding concerning imports of certain hot rolled stainless steel sheets and coils

On October 6, 2020, the European Commission published definitive anti-dumping duties on imports of certain hot rolled stainless steel sheets and coils (SSHR) originating in Indonesia, the People's Republic of China and Taiwan (Regulation 2020/1408).

The Commission concluded that the Union industry suffered material injury within the meaning of Article 3(5) of the basic Regulation.

Type of products	Countries	Definitive Anti-dumping duty (%)	Effective from
Hot Rolled Stainless Steel Flat Products	People's Republic of China	From 9.2% up to 19.0%	7 October 2020(1)
Hot Rolled Stainless Steel Flat Products	Taiwan	From 4.1% up to 7.5%	7 October 2020
Hot Rolled Stainless Steel Flat Products	Indonesia	17.3%	7 October 2020

Note:
(1) Entry into force from the day following that of the publication of the provisional measures in the Official Journal of the European Union. The measures have been implemented for a 5-year-period.

For further details please refer to the following link:
https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R1408&from=EN

4. Anti-dumping proceeding concerning imports of certain cold rolled stainless steel sheets and coils

On November 17, 2021, the European Commission published in the Official Journal the "Implementing Regulation (EU) 2021/2012 of November 17, 2021 imposing a definitive anti-dumping duty on imports of stainless steel cold-rolled flat products originating in India and Indonesia".

The Implementing Regulation (EU) 2021/2012 (article 1(2)) has been amended as follows, after the publication of the Implementing Regulation (EU) 2022/433 of March 15, 2022 (see below) imposing new anti-dumping duties.

Type of products	Countries	Provisional Anti-dumping duty (%)	Effective from
Cold Rolled Stainless Steel Flat Products	India	From 10.0% up to 35.3%	28 May 2021(1)
Hot Rolled Stainless Steel Flat Products	Indonesia	From 9.3% up to 20.2%	28 May 2021

Note:
(1) Entry into force from the day following that of the publication of the definitive measures in the Official Journal of the European Union. The measures have been implemented for a 5-year-period..

For further details please refer to the following link:
https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2012&from=EN

5. Anti-subsidy proceeding concerning imports of certain cold rolled stainless steel sheets and coils

On March 16, 2022, the European Commission published in the Official Journal the "Implementing Regulation (EU) 2022/433 of March 15, 2022 imposing countervailing duties on imports of stainless steel cold-rolled flat products originating in India and Indonesia".

Type of products	Countries	Provisional Anti-dumping duty (%)	Effective from
Cold Rolled Stainless Steel Flat Products	India	From 4.3% up to 7.5%	17 March 2022(1)
Hot Rolled Stainless Steel Flat Products	Indonesia	From 13.5% up to 21.4% except PT. Jindal Stainless Indonesia	17 March 2022

Note:
(1) Entry into force from the day following that of the publication of the definitive measures in the Official Journal of the European Union. The measures have been implemented for a 5-year-period.

For further details please refer to the following link:
https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R0433&qid=1647421657900&from=EN

6. WTO challenge against Indonesian restrictions on raw materials

On November 22, 2019, the European Union brought a dispute in the World Trade Organization (WTO) against Indonesian export restrictions for raw materials used in production of stainless steel.

These restrictions unfairly limit access of international producers to raw materials for steel production, notably nickel. The European Union is also challenging subsidies that encourage use of local content by Indonesian producers and give preference to domestic over imported goods, which goes against WTO rules.

On January 14, 2021, the European Union requested the establishment of a panel. At its meeting on January 25, 2021, the DSB deferred the establishment of a panel.

At its meeting on February 22, 2021, the Dispute Settlement Body established a panel. Brazil, Canada, China, India, Japan, Korea, the Russian Federation, Saudi Arabia, Singapore, Chinese Taipei, Turkey, Ukraine, the United Arab Emirates, the United Kingdom, and the United States reserved their third-party rights.

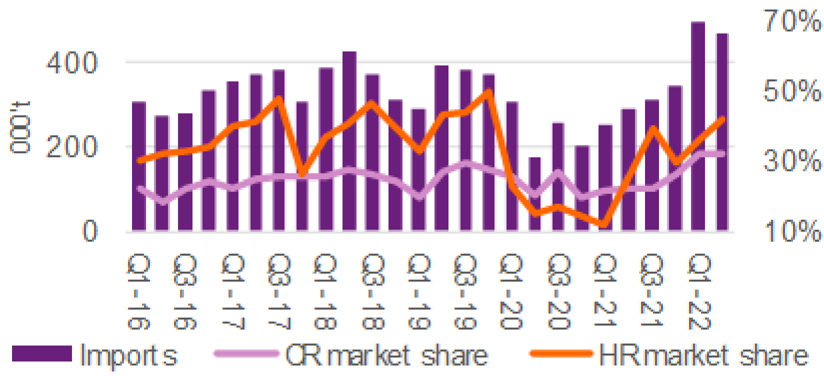
On April 19, 2021, the European Union requested the Director-General to compose the panel.

On April 29, 2021, the Director-General composed the panel.

On November 1, 2021, the Chair of the panel informed the Dispute Settlement Body that, in accordance with the timetable adopted thus far following consultations with the parties, the panel estimated that it would issue its final report to the parties in the last quarter of 2022.

For further details please refer to the following link:
https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds592_e.htm

Evolution of imports in Europe (in tonnes, and in market share):



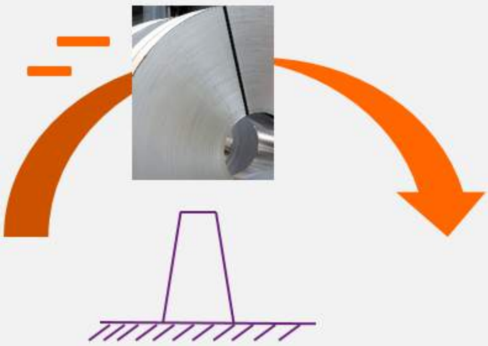
The above graph shows the evolution of stainless steel imports into Europe. Anti dumping duties on hot rolled stainless steel products from China, Indonesia and Taiwan have been effective since April 8, 2020 in addition to the safeguard. The duty has to be paid on every single tonne coming into Europe and therefore influences relative competitiveness of domestic producers versus imports.

Anti dumping duties on hot rolled products from China, Indonesia and Taiwan have become effective since April 8, 2020 on top of the safeguard. The duty has to be paid on every single tonne coming into Europe and therefore influences relative competitiveness of domestic producers versus imports. Q2 imports were limited due to a lack of remaining quotas. Imports from the affected countries dropped by almost 90% in 2020 versus 2019 which demonstrates the effectiveness of these measures.

Brazil

Two key pillars of trade protection against unfair market behaviour:

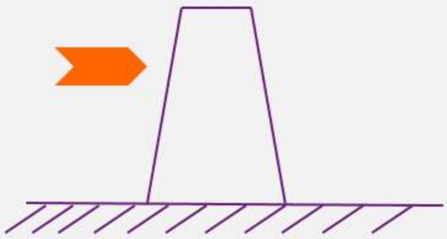
IMPORT DUTY



General import duty:

- 12.6% import duty on all stainless steel imports irrespective of origin

ANTI-DUMPING DUTY



Stainless flat products:

- China: up to USD629/t, Taiwan up to USD705/t since 4.10.19 for 5 years

Stainless steel welded tubes:

- China: up to USD405/t since 24.07.19 for 5 years.
- Malaysia, Thailand and Vietnam: USD367/t up to USD888/t since 13.06.18, for 5 years

Electrical steel (non grain oriented):

- China, South Korea, Taiwan, Germany: USD90/t – USD166.3/t since 15.07.19 for 5 years

Tariff measures to support fair market environment in Brazil

Since 2013, Brazil's Trade Defence Department (Decom), an investigative body under the Brazilian Ministry of Development, Industry and Foreign Trade, opened anti-dumping investigations against imports from several countries for welded austenitic stainless pipes, flat stainless steel products and flat non-grain oriented products, imposing anti-dumping duties for a period of five years. In 2021, an anti-dumping investigation and an anti-subsidy investigation was also opened against Indonesia. On November 5, 2021, stainless steel import duties were reduced from 14% to 12.6%. All the current measures are described below.

Type of products	Import duties status	Anti-dumping ("AD") status
Stainless Steel Flat Products CR 304 and 430, in thicknesses between 0.35mm and 4.75mm	Normal import duties are 12.6%	AD duties starting October 4, 2013 for 5 years from U.S.$236/tonne to U.S.$1,077/tonne for imports. Renewal investigation launched on October 3, 2018, during which time AD duties will remain in place. Countries involved are China, Taiwan, South Korea, Vietnam, Finland and Germany. Renewed AD duties against China and Taiwan starting October 4, 2019 valid for 5 years from U.S.$175/tonne to U.S.$629/tonne for China and U.S.$93/tonne to U.S.$705/tonne for Taiwan. Anti-Dumping investigation on 304 CR against Indonesia and South Africa launched on February 25, 2021. On November 4, 2021 the Brazilian Trade Defence authority closed the anti-dumping investigation.
Stainless Steel Welded Tubes in thickness between 0.4mm to 12.70mm	Normal import duties are 12.6%	AD duties starting July 29, 2013, for 5 years from U.S. $360/tonne up to U.S.$911/tonne. Countries involved are China and Taiwan. Renewal investigation launched on July 16, 2018, during which time AD duties will remain in place. AD duties starting June 13, 2018, for 5 years from U.S.$367/tonne up to U.S.$888/tonne. Countries involved are Malaysia, Thailand and Vietnam. Renewed AD duties against China starting July 24, 2019 valid for 5 years from U.S.$344/tonne to U.S. $405/tonne.
Electrical steel – Non Grain Oriented (NGO)	Normal import duties are 12.6%	AD duties starting July 17, 2013, for 5 years from U.S. $133/tonne to U.S.$567/tonne. Countries involved are China, South Korea and Taiwan. On August 15, 2014, Camex released partially NGO AD, giving 45kt of imports in the next 12 months without AD penalties. On November 4, 2015, Brazilian authorities decided to end the existing quota of imports without AD and fixed the AD duties from U.S.$90/tonne to U.S.$132.5/ tonne. Renewal investigation launched on July 16, 2018, during which time AD duties will remain in place. An investigation involving Germany was launched on May 9, 2018. AD duties starting July 15, 2019, for 5 years from U.S. $90/tonne to U.S.$166.3/tonne. Countries involved are China, South Korea, Taiwan and Germany.
Electrical steel – Grain Oriented	Normal import duties are 12.6%	

Raw materials and Energy

Raw materials

Stainless and specialty steel production requires substantial amounts of raw materials (primarily nickel, chromium, molybdenum, stainless and carbon steel scrap, charcoal (biomass) and iron ore). With the exception of charcoal, which is produced internally, we are exposed to price uncertainty with respect to each of these raw materials, which we typically purchase under short-term and long-term supply contracts, as well as on the spot market.

Prices for these raw materials are strongly correlated with demand for stainless steel and carbon steel and thus tend to fluctuate in response to changes in supply and demand. In addition, since most of the raw materials we use are finite resources, their prices may also fluctuate in response to any perceived scarcity of reserves, along with the development of projects working to replace depleted reserves.

Nickel

After a year of rising trend, the LME nickel price started 2022 at a high level of U.S.$20,730 per tonne. Initially supported by continued positive macroeconomic factors, the LME nickel price continued its rally to a new 9-year high of U.S.$42,995 per tonne on March 7, 2022. On March 8, 2022, the LME 3-month price went overnight above 100,000$/t due to short covering issues and the LME decided to suspend nickel trading for several days and later on imposed trading limits. Trading resumed on March 22, 2022, still with some disruptions in a very illiquid market. By the end March, the LME nickel price corrected and closed the first quarter at U.S.$33,400 per tonne. The LME nickel stocks stood at 72K tonnes at the end of the first quarter, a drop of 30% versus the start of the year. The LME nickel price remained stable around the same level during April. The price correction started in early May until it reached U.S.$26,105 and rebounded but the price did not reach the level of the first quarter. The second correction happened in the second half of June on increasing fears for inflation and recession and nickel ended the second quarter at U.S.$23,100 per tonne. The LME stocks declined further to 66.5k tonnes.

Ferro chrome

The European ferrochrome benchmark rolled over at U.S.$1.80 per pound of chrome from the fourth quarter of 2021 into the first quarter of 2022 amid a positive global market demand and logistic bottlenecks. Rising energy costs and the Russian-Ukrainian crisis pushed up the market price and the benchmark price for the second quarter was set at U.S.$2.16 per pound of chrome. With the surging inflation and a bearish market sentiment, the European benchmark price for the third quarter corrected to U.S.$1.80 per pound of chrome.

Molybdenum

Molybdenum prices started January at U.S.$41.56 per kilogram. Due to limited trading activity, the price evolution was quite moderate and the first quarter ended at U.S.$42.55 per kilogram. Molybdenum prices remained stable in a range of U.S.$42.0-42.5 per kilogram until the middle of May and started to slide triggered by COVID related lockdowns in major cities in China. The molybdenum price ended the second quarter back at U.S.$42.55 per kilogram.

Ferrous scrap

Ferrous scrap prices started 2022 firmly, trading at U.S.$450 per tonne. Russia's invasion of Ukraine blocked the flow of steel and raw materials out of the Black Sea region, which stimulated the price, increasing to a new 10-year high of U.S.$660 per tonne in March. The price corrected slightly and ended the first quarter at U.S.

$641.52 per tonne. During the second quarter, the sluggish finished long steel sales and the competition from the cheaper billet and pig iron from Russian suppliers dragged the price all the way down to U.S.$325.62 per tonne.

Energy

With regard to natural gas, the Timóteo production facility in Brazil has a natural gas supply contract with a Brazilian supplier. In Europe, the Group has purchased most of its natural gas through a supply contract put in place with ArcelorMittal Energy S.C.A. in 2015.

For electricity, in France, a supply contract was put in place with ArcelorMittal Energy S.c.a. at the beginning of 2016, whereas in Belgium such a contract has been in place since the beginning of 2015. In Brazil, electricity needs are mainly secured through long-term contracts with several suppliers, with balancing requirements managed through short-term arrangements.

With regard to industrial gases, the Group procures its industrial gas requirements using short - or long-term - contracts with various suppliers in different geographical regions.

Impact of exchange rate movements

In 2021, the Euro depreciated by 8.3% against the U.S. dollar to reach 1.1326 U.S. dollar/Euro. In 2021, the Euro depreciated by 0.9% against the Brazilian real to reach 6.3210 Brazilian real/Euro.

At the end of 2021, the Euro amounted to 1.1326 U.S. dollar/Euro and 6.3210 Brazilian real/Euro. In the first half of 2022, the Euro depreciated by 8.3% against the U.S. dollar to reach 1.0387 U.S. dollar/Euro. In the first half of 2022, the Euro depreciated by 13.2% against the Brazilian real to reach 5.4842 Brazilian real/Euro.

Because a substantial portion of Aperam's assets, liabilities, sales and earnings are denominated in currencies other than the Euro (its presentation currency), Aperam is exposed to fluctuations in the values of these currencies relative to the Euro. These currency fluctuations, especially the fluctuation of the Euro relative to the U.S. dollar and Brazilian real, as well as fluctuations in the currencies of the other countries in which Aperam has significant operations and sales, can have a material impact on the results of operations. To minimise its currency exposure, the Group enters into hedging transactions to lock in a set exchange rate for specific transactions in non-local currencies, in accordance with its management policies.

Operational review and Liquidity

Operational review

Aperam reports its operations in four operating segments: Stainless & Electrical Steel, Services & Solutions, Alloys & Specialties and Recycling & Renewables.

The information in this section relates to the six months ended June 30, 2022, and is compared to the six months ended June 30, 2021.

Key indicators

The key performance indicators that we use to analyse operations are sales, shipments, average selling prices and operating results. Our analysis of liquidity and capital resources is based on operating cash flows.

Sales, shipments and average selling prices

The following table provides our sales, shipments and average selling prices by operating segment for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021:

	Sales for the Six Months Ended June 30, (1)		Shipments for the Six Months Ended June 30, (1) (2) (3)		Average Selling Price for the Six Months Ended June 30, (1)		Changes in		
Operating segment	**2022**	**2021 (5)**	**2022**	**2021**	**2022**	**2021**	**Sales (5)**	**Shipments**	**Average Selling Price**
	(in millions of Euros)		(in thousands of tonnes)		(in Euros/tonne)		(%)		
Stainless & Electrical Steel[4]	3,166	2,052	877	955	3,529	2,087	54.3	(8.2)	69.1
Services & Solutions	1,677	1,073	371	397	4,345	2,597	56.3	(6.5)	67.3
Alloys & Specialties	310	257	14	15	21,713	16,077	20.6	(6.7)	35.1
Recycling & Renewables	1,523	48	758	—	2,009	—	n/a	n/a	n/a
Total (before intra-group eliminations)	6,676	3,430	2,020	1,367			94.6	47.8	
Others and elimination	(1,954)	(981)	(712)	(393)			99.2	81.2	
Total (after intra-group eliminations)	4,722	2,449	1,308	974			92.8	34.3	

Notes:
(1) Amounts are shown prior to intra-group elimination. For additional information, see Note 3 to the interim condensed consolidated financial statements
(2) Stainless & Electrical shipment amounts are shown prior to intersegment shipments of 367 thousand tonnes and 393 thousand tonnes in the six months ended June 30, 2022 and 2021, respectively.
(3) Recycling & Renewables shipment amounts are shown prior to intersegment shipments of 345 thousand tonnes in the six months ended June 30, 2022.
(4) Includes shipments of special carbon steel from the Company's Timóteo production facility.

(5) Due to the transfer of Aperam Bioenergia, ASB Recycling and Recyco from the segment "Stainless & Electrical Steel" to the segment "Recycling & Renewables" as from January 1, 2022, segmented figures for the six months ended June 30, 2021 have been recast accordingly.

In the first half of 2022, sales increased by 92.8% compared to the first half of 2021 primarily due to the contribution of ELG sales to the Recycling & Renewables segment as from January 1, 2022 and higher average selling prices.

Stainless & Electrical Steel

Sales in the Stainless & Electrical Steel segment (including intersegment sales) increased by 54.3%, for the six months ended June 30, 2022 compared to the same period previous year primarily due to higher average selling price. Shipments for this segment (including inter segment shipments) decreased by 8.2%, and the average selling price for the Stainless & Electrical Steel segment increased by 69.1% for the six months ended June 30, 2022 compared to the same period previous year.

Sales to external customers in the Stainless & Electrical Steel segment were €1,727 million for the six months ended June 30, 2022, representing 36.6% of total sales, an increase of 49.0% as compared to the €1,159 million in sales to external customers for the six months ended June 30, 2021, or 47.3% of total sales.

Services & Solutions

Sales in the Services & Solutions segment (including intersegment sales) increased by 56.3% for the six months ended June 30, 2022 compared to the same period previous year, primarily due to higher average selling price. Shipments for this segment decreased by 6.5%, and the average selling price for the Services & Solutions segment increased by 35.1% for the six months ended June 30, 2022 compared to the same period previous year.

Sales to external customers in the Services & Solutions segment were €1,619 million for the six months ended June 30, 2022, representing 34.3% of total sales, an increase of 56.6% as compared to sales of €1,034 million for the six months ended June 30, 2021, or 42.2% of total sales.

Alloys & Specialties

Sales in the Alloys & Specialties segment (including intersegment sales) increased by 20.6% for the six months ended June 30, 2022 compared to the same period previous year, primarily due to higher average selling price. Shipments for this segment decreased by 6.7%, and the average selling price increased by 35.1% for the six months ended June 30, 2022, compared to the same period previous year.

Sales to external customers in the Alloys & Specialties segment were €308 million for the six months ended June 30, 2022, representing 6.5% of total sales, an increase of 20.8% as compared to the €255 million in sales to external customers for the six months ended June 30, 2021, or 10.4% of total sales.

Recycling & Renewables

Sales in the Recycling & Renewables segment (including intersegment sales) include sales from Aperam Bioenergìa, ASB Recycling and Recyco. As from January 1, 2022, sales also include the contribution of ELG Group.

Sales to external customers in the Recycling & Renewables segment were €1,069 million for the six months ended June 30, 2022, representing 22.6% of total sales, as compared to the €2 million in sales to external customers for the six months ended June 30, 2021, or 0.1% of total sales.

Operating income

The following table provides our operating income and operating margin for the six months ended June 30, 2022, as compared to the six months ended June 30, 2021:

	Operating Income Six Months Ended June 30,		Operating Margin Six Months Ended June 30,	
	2022	2021 [2]	2022	2021 [2]
Operating Segment	**(in millions of Euros)**		**(%)**	
Stainless & Electrical Steel	550	296	17.4	14.4
Services & Solutions	112	98	6.7	9.1
Alloys & Specialties	31	24	10.0	9.3
Recycling & Renewables	(28)	(4)	(1.8)	n/a
Total[1]	**622**	**375**	**13.2**	**15.3**

Notes:
(1) Amounts shown include eliminations of €(43) million and €(39) million for the six months ended June 30, 2022 and 2021 respectively, which includes all operations other than those that are part of the Stainless & Electrical Steel, Services & Solutions, Alloys & Specialties and Recycling & Renewables operating segments, together with intersegment eliminations and/or non-operational items that are not segmented.
(2) Due to the transfer of Aperam Bioenergia, ASB Recycling and Recyco from the segment "Stainless & Electrical Steel" to the segment "Recycling & Renewables" as from January 1, 2022, segmented figures for the six months ended June 30, 2021 have been recast accordingly.

The Group's operating income for the six months ended June 30, 2022, was €622 million (including an exceptional loss of EUR (53) million related to the reversal of the inventory step-up of EUR (48) million recognized in the 2021 bargain purchase gain on ELG acquisition and a final bargain purchase gain adjustment on this acquisition for EUR (5) million) compared to an operating income of €375 million (including exceptional gains of €9 million made of PIS/Cofins tax credits related to prior periods recognised in Brazil) for the six months ended June 30, 2021. Operating income increased by €247 million when comparing six months ended June 30, 2022 versus six months ended June 30, 2021. Demand continued to be strong in Europe and Brazil. In Europe, slightly lower volumes were more than compensated by favourable price, input cost development and higher inventory valuation gains. In Brazil, the volumes increase and the higher inventory valuation gains, compensated for the price and input cost squeeze.

Stainless & Electrical Steel

The operating income for the Stainless & Electrical Steel segment was €550 million for the six months ended June 30, 2022, compared to an operating income of €296 million for the six months ended June 30, 2021. The operating result for the Stainless & Electrical Steel segment increased for the six months ended June 30, 2022, compared to the six months ended June 30, 2021. Shipments decreased in both Europe and Brazil as 2021 benefited from refilling of the industrial value chains while economic uncertainty and raw material price volatility burdened demand in 2022. Profitability increased due to higher prices, tight cost control and inventory valuation gains. The combined effect of these factors enabled the segment as well as both business units to achieve the best first six months ever.

Services & Solutions

The operating income for the Services & Solutions segment was €112 million for the six months ended June 30, 2022, compared to an operating income of €98 million (including exceptional gains of €9 million made of PIS/Cofins tax credits related to prior periods recognised in Brazil) for the six months ended June 30, 2021. Lower volumes were more than compensated by higher prices and higher inventory valuation gains.

Alloys & Specialties

The operating income for the Alloys & Specialties segment was €31 million for the six months ended June 30, 2022, compared to an operating income of €24 million for the six months ended June 30, 2021. The increase is due to higher prices, tight cost control and raw material price driven inventory valuation gains that compensated for slightly lower volumes year on year.

Recycling & Renewables

The operating income for the Recycling & Renewables segment was a loss of €(28) million for the six months ended June 30, 2022, including an exceptional loss of EUR (53) million related to the reversal of the inventory step-up of EUR (48) million recognized in the 2021 bargain purchase gain on ELG acquisition and a final bargain purchase gain adjustment on this acquisition for EUR (5) million.

Financing costs

Financing costs include interest income, interest expense, net foreign exchange and derivative results and other net financing costs. Financing costs were positive at €44 million for the six months ended June 30, 2022, compared to financing costs of €(2) million for the six months ended June 30, 2021.

Excluding the foreign exchange and derivative results described below, net interest expense and other financing costs for the six months ended June 30, 2022 were negative at €(12) million. This is compared to the net interest expense and other financing costs of €(2) million for the six months ended June 30, 2021 that included exceptional interest income of €6 million in Brazil for PIS/Cofins tax credits related to prior periods. Net interest expense and other financing costs for the six months ended June 30, 2022 also included €(9) million of cash cost of financing versus €(6) million for the six months ended June 30, 2021. Cash cost of financing relates to interests and other expenses related to the service of debt and other financing facilities.

Realised and unrealised foreign exchange and derivative gains were €56 million for the six months ended June 30, 2022, compared to realised and unrealised foreign exchange and derivative losses of nil for the six months ended June 30, 2021. Foreign exchange results primarily relate to the accounting revaluation of non-Euro assets, liabilities, sales and earnings. Results on derivatives primarily relate to the financial instruments we entered to hedge our exposure to nickel prices, which do not qualify for hedge accounting treatment under IFRS 9.

Income Tax

We recorded an income tax expense of €(162) million for the six months ended June 30, 2022, compared to an income tax income of €(44) million for the six months ended June 30, 2021. This increase in income tax expense for the six months ended June 30, 2022 is primarily due to the higher level of profit before tax for the six months ended June 30, 2022, at €666 million compared to €373 million for the six months ended June 30, 2021. The effective tax rate for the six months ended June 30, 2022 was also higher at 24% compared to the effective tax rate of 12% for the six months ended June 30, 2021, partly explained by the lower recognition of additional deferred tax assets on tax losses carried forward in certain jurisdictions for €8 million as of June 30, 2022 compared to €32 million as of June 30, 2021.

Net Income Attributable to Equity Holders of the Parent

Our net result was a profit of €504 million for the six months ended June 30, 2022, compared to a profit of €329 million for the six months ended June 30, 2021.

Alternative Performance Measures

This Interim Financial Report includes Alternative Performance Measures (APM), which are non-GAAP financial measures. Aperam believes that these APMs are relevant to enhance the understanding of its financial position and provides additional information to investors and management with respect to the Company's financial performance, capital structure and credit assessment. The definitions of these APMs are

the same since the creation of the Company. These non-GAAP financial measures should be read in conjunction with and not as an alternative for, Aperam's financial information prepared in accordance with

IFRS. Such non-GAAP measures may not be comparable to similarly titled measures applied by other companies.

EBITDA

EBITDA is defined as operating income before depreciation, amortisation and impairment expenses. The following table presents a reconciliation of EBITDA to operating income:

(in millions of Euros)

Six months ended June 30, 2022	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others / Eliminations[(1)]	Total
Operating income (loss)	550	112	31	(28)	(43)	**622**
Depreciation, amortisation and Impairment	(50)	(6)	(5)	(28)	(1)	**(90)**
EBITDA	**600**	**118**	**36**	**—**	**(42)**	**712**

(in millions of Euros)

Six months ended June 30, 2021 [(2)]	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others / Eliminations[(1)]	Total
Operating income (loss)	296	98	24	(4)	(39)	**375**
Depreciation, amortisation and Impairment	(48)	(6)	(4)	(12)	(1)	**(71)**
EBITDA	**344**	**104**	**28**	**8**	**(38)**	**446**

Notes:
(1) Others/Eliminations includes all operations other than those mentioned above, together with inter-segment elimination, and/or non-operational items that are not segmented.
(2) Due to the transfer of Aperam Bioenergia, ASB Recycling and Recyco from the segment "Stainless & Electrical Steel" to the segment "Recycling & Renewables" as from January 1, 2022, information for the six months ended June 30, 2021 have been recast

Net Financial Debt and Gearing

Net Financial Debt refers to long-term debt, plus short-term debt, less cash and cash equivalents (including short-term investments).

Gearing is defined as Net Financial Debt divided by equity.

The following table presents a reconciliation of Net Financial Debt and Gearing with amounts disclosed in the consolidated statement of financial position:

	June 30	December 31
(in millions of Euros)	**2022**	**2021**
Long-term debt	764	719
Short-term debt	292	271
Cash and cash equivalents	(485)	(524)
Net Financial Debt	**571**	**466**
Equity	3,346	2,953
Gearing	**17%**	**16%**

Free cash flow before dividend and share buy-back

Free cash flow before dividend and share buy-back is defined as net cash provided by operating activities less net cash used in investing activities. The following table presents a reconciliation of Free cash flow before dividend and share buy-back with amounts disclosed in the consolidated statement of cash flows:

	Six Months Ended June 30,	
(in millions of Euros)	**2022**	**2021**
Net cash provided by operating activities	166	221
Net cash used in investing activities	(99)	(76)
Free cash flow before dividend and share buy-back	**67**	**145**

Trend information

All of the statements in this "Trend information" section are subject to and qualified by the information set forth under the "Disclaimer - Forward-Looking Statements". See also "Principal risks and uncertainties related to Aperam and the stainless and specialty steel industry".

Outlook

On July 29, 2022, the Company released its second quarter 2022 results, which are available on the Company's website (www.aperam.com) under the "Investors" > "Reports and Presentations" > "Quarterly Reports" section. As part of its prospects, the Company announced that Adj. EBITDA in Q3 2022 is expected at a lower level versus the record Q2 2022 base, and that net financial debt is expected at a lower level.

Liquidity

Liquidity and capital resources

The Group's principal sources of liquidity are cash generated from its operations and its credit facilities at the corporate level.

Because Aperam S.A. is a holding company, it is dependent upon the earnings and cash flows of, and dividends and distributions from, its operating subsidiaries to pay expenses and meet its debt service obligations.

In management's opinion, the Group's operations and credit facilities described below are sufficient to meet the Group's present requirements.

Our cash and cash equivalents amounted to €485 million and €524 million as of June 30, 2022 and December 31, 2021, respectively.

Our total gross debt, which includes long and short-term debt, was €1,056 million (including €163 million attributable to ELG Group) and €990 million (including €500 million attributable to ELG Group) as of June 30, 2022 and December 31, 2021, respectively. As of June 30, 2022, Aperam had €222 million out of the total gross debt of €1,056 million outstanding at the subsidiary level (including €97 million of finance leases).

Net financial debt, defined as long-term debt plus short-term debt less cash and cash equivalents (including short-term investments), was €571 million as of June 30, 2022, compared to €466 million at December 31, 2021.

Gearing, defined as net financial debt divided by total equity, was 17% as of June 30, 2022, compared to 16% as of December 31, 2021.

As of June 30, 2022, the Company had a total liquidity of €1,000 million, consisting of cash and cash equivalents (including short term investments) of €485 million, committed credit lines of €500 million (revolving credit facility of €500 million) at Aperam SA level and €15 million of committed credit lines from ELG Group.

As of December 31, 2021, the Company had a total liquidity of €932 million, consisting of cash and cash equivalents (including short term investments) of €524 million, committed credit lines of €300 million (revolving credit facility of €300 million) at Aperam SA level and €108 million of committed credit lines from ELG Group.

Financing

Unsecured revolving credit facility

On February 11, 2022, Aperam announced having entered into a 5+1+1 years sustainably linked senior unsecured revolving credit facility ("The Facility") of €500 million with a syndicate of 16 banks. Such Facility replaced the senior unsecured revolving credit facility of €300 million signed in June 2017. In addition, Aperam announced having entered into a 6 years sustainably linked amortizing fixed rate term facility of €300 million with a syndicate of 10 banks ("The Loan"). The Facility is for general corporate purposes and the Loan is dedicated to the refinancing of maturing debts of ELG. The pricing of financing contracts is linked to two strategic commitments of the company being firstly to become a best-in-class stainless steel manufacturer in terms of Health & Safety by constantly outperforming its industrial average in terms of Health & Safety metrics and to maintain its leadership in low carbon steel-making by setting an ambitious decarbonisation trajectory.

The Facility and the Loan contain a financial covenant being a maximum consolidated total debt of 90% of consolidated tangible net worth. On June 30, 2022, this financial covenant was fully met.

The Facility was fully undrawn and the Loan was fully drawn.

EIB financings

On June 27, 2016, Aperam and the European Investment Bank (EIB) announced the signing of a financing contract in the amount of €50 million, which will be dedicated to financing a research and development programme over the 2016-2019 period, as well as an upgrade of two plants located in cohesion regions in France & Belgium (Isbergues, Hauts-de-France and Châtelet, Hainaut respectively). This project was funded under the Investment Plan for Europe, also known as the "Juncker Plan". The financing contract, which is senior unsecured, was entirely drawn down on October 16, 2018, at a rate of 1.669%, with a final maturity date of October 16, 2028.

On February 25, 2019, the Company announced the signature of a financing contract where the EIB will make available to Aperam an amount of €100 million. The purpose of this contract is the financing of ongoing investments in the cold rolling and annealing & pickling lines at Aperam's Genk plant (Belgium), as well as the Company's ongoing modernisation programmes in the cohesion regions of Hauts-de-France (France) - Isbergues plant, and Hainaut (Belgium) - Châtelet plant. The financing contract, which is senior unsecured, was entirely drawn down on March 15, 2019, at a rate of 1.307%, with a final maturity date of March 15, 2029.

On September 30, 2020, Aperam strengthened its liquidity profile with the signature of a top-up financing contract where the EIB will make available to Aperam an amount of €75 million, in addition to the outstanding loan of €100 million, in relation to the financing of advanced stainless steel manufacturing technologies. This top up facility of €75 million was fully drawn on October 8, 2021, at a rate of 0.88%, with a final maturity date of October 25, 2031.

Schuldscheindarlehen

On September 24, 2019, Aperam successfully priced an inaugural €190 million multi-tranches Schuldscheindarlehen (debt instrument governed by the laws of the Federal Republic of Germany) with maturities at 4, 5, 6 and 7 years. On the back of a very positive investor perception and significantly oversubscribed orderbook, Aperam was able to upsize the deal volume from the initially announced volume of €100 million to ultimately €190 million. Interest rates vary from 1.10% to 1.50%. The company was able to price all tranches at the tight end of the announced spread ranges. Aperam took advantage of the very constructive market to secure attractive conditions and successfully diversify its creditors base.

Commercial paper programme

On July 10, 2018, Aperam received confirmation from Banque de France, as foreseen by art. D.213-2 of *“Code monétaire et financier”* of the French law, that the conditions as described in the financial documentation of its programme of NEU commercial paper for a maximum outstanding amount of €200 million, fulfil the requirements of law. On June 30, 2022, an amount of €144 million was drawn under the Aperam NEU CP programme.

ELG Debts

ELG debt (excluding leases) consists of €78 million of bank loans (Money market loans and overdrafts) and €40 million of promissory Notes as of June 30, 2022.

True sales of receivables programme

The Company has established sales without recourse of trade accounts receivable programme with financial institutions, referred to as True Sales of Receivables (“TSR”). The maximum combined amount of the programmes that could be utilised were €520 million and €370 million as of June 30, 2022 and December 31, 2021, respectively. Through the TSR programme, certain operating subsidiaries of Aperam surrender control, risks and the benefits associated with the accounts receivable sold. Therefore, the amount of receivables sold is recorded as a sale of financial assets and the balances are removed from the statement of financial position at the moment of the sale.

On February 11, 2022, Aperam has increased its sales without recourse of trade accounts receivable programme with financial institutions, referred to as True Sales of Receivables (“TSR”), to a maximum combined amount of the programmes that could be utilised to €420 million from €370 million earlier.

On April 27, 2022, Aperam has increased its sales without recourse of trade accounts receivable programme with financial institutions, referred to as True Sales of Receivables (“TSR”), to a maximum combined amount of the programmes that could be utilised to €520 million from €420 million earlier.

The total amount of receivables sold under the TSR programme and derecognised in accordance with IFRS 9 for the six months ended June 30, 2022 and 2021 were €1.56 billion and €0.97 billion, respectively. Expenses incurred under the TSR programme (reflecting the discount granted to the acquirers of the accounts receivable) are recognised in the consolidated statement of operations as financing costs and amounted to €(4) million and €(2) million for the six months ended June 30, 2022 and 2021, respectively.

Credit ratings

On June 13, 2019, Aperam announced that it has requested to be withdrawn from the credit rating services of S&P Global Ratings and Moody’s Investor Service, while reaffirming to maintain investment grade financial ratios. Given the Company’s low level of debt and the nature of funding needs, credit rating services were no longer considered necessary.

On June 27, 2019, Moody's Investors Service withdrew the 'Baa3' long-term issuer rating with stable outlook of Aperam S.A.

On July 15, 2019, S&P Global Ratings withdrew its 'BBB-' long-term issuer credit rating with stable outlook of Aperam S.A.

Financial policy

Aperam`s financial policy aims to maximize the long-term growth of the Company and the value accretion for its shareholders while maintaining a strong balance sheet.

	Financial Policy	2022
5	Return excess cash to investors	Share buyback: up to €200m (up to 3.5m shares)
4	**Dividend** Base dividend progressively increases over time(1)	Dividend of €2.00 per share (~EUR156m) (2)
3	**Value accretive growth & M&A** min IRR 15%	~€50 million growth capex
2	**Company Sustainability, Upgrade and Transformation**	~€110m maintenance(3) / ~€40m ESG / Leadership Journey® Phase 4: ~€50m, Phase 5: ~€50m
1	**Strong balance sheet**. Ratios consistent with investment grade ratios, NFD / EBITDA of <1x(4)	✓

(1) Base dividend review in the (unlikely) event that NFD/EBITDA exceeds 1x.
(2) The Annual General Meeting of Shareholders of May 4, 2022, approved a base dividend of 2.00€/per share. Please refer to section “Earnings distribution” below for greater details.
(3) Including ELG.
(4) Through the cycle.

Earnings distribution

Dividend

Technicalities

Dividends are announced in Euro and paid in Euro for shares listed on the European Stock Exchanges (Euronext Amsterdam, Euronext Brussels, Euronext Paris and Luxembourg stock exchange). Dividends are paid in U.S. dollars for shares traded in the United States on the over-the-counter market in the form of New York registry shares and converted from Euro to U.S. dollars based on the European Central Bank exchange rate.

A Luxembourg withholding tax of 15% is applied on the gross dividend amounts.

In 2022

On February 11, 2022, Aperam announced its detailed dividend payment schedule for 2022. The Company proposed to increase its dividend from €1.75 per share to €2.00 per share, subject to shareholders approval at the 2022 Annual General Meeting of May 4, 2022.

On May 4, 2022, the Annual General Meeting of Shareholders approved a base dividend of €2.00 per share.

The dividend is being paid in four equal quarterly instalments of €0.5 (gross) per share as described below in the detailed dividend schedule:

	1st Quarterly Payment (interim)	2nd Quarterly Payment	3rd Quarterly Payment	4th Quarterly Payment
Announcement date	24 February 2022	10 May 2022	16 August 2022	9 November 2022
Ex-Dividend	01 March 2022	13 May 2022	19 August 2022	14 November 2022
Record Date	02 March 2022	16 May 2022	22 August 2022	15 November 2022
Payment Date	24 March 2022	10 June 2022	16 September 2022	9 December 2022
FX Exchange rate	25 February 2022	11 May 2022	17 August 2022	10 November 2022

Share buyback

Corporate authorisations

On May 7, 2019, the Annual General Meeting of Shareholders authorised the company to repurchase its own shares in accordance with applicable laws and regulations for a period of five years or until the date of its renewal by a resolution of the general meeting of shareholders if such renewal date is prior to the expiration of the five year period. On May 4, 2022, the Annual General Meeting of Shareholders renewed such authorisation under the same conditions.

Key features of the 2022 share buyback programmes

EUR 100 million share buy back program announced on February 11, 2022

On February 11, 2022, Aperam announced a share buyback program under the authorization given by the Annual General Meeting of Shareholders held on May 7, 2019 and, or under any renewal of such authorization at the May 4, 2022 annual general meeting of shareholders (the “Program”).

Aperam will appoint an investment services provider to execute the repurchases of shares in the open market during open and closed periods.

Aperam intends to repurchase per day a variable number of shares at market price, for an aggregate maximum amount of 100 million euros and a maximum of 2.5 million shares, over a period from 14 February 2022 up and until 31 December 2022. The price per share, of the shares to be bought under the Program, shall not exceed 110% of the average of the final listing prices of the 30 trading days preceding the three trading days prior to each date of repurchase, in accordance to the resolution of the annual general meeting of shareholders held on 7 May 2019. Such shareholder resolution has been renewed at the May 4, 2022 annual general meeting of shareholders under the same conditions.

Simultaneously, the Mittal family has declared its intention to enter into a share repurchase agreement with Aperam, to sell each trading day on which Aperam has purchased shares under the Program, an equivalent number of shares, at the proportion of the Mittal family’s stake of 40.96% of issued and outstanding shares of Aperam, at the same price as the shares repurchased on the open market. The effect of the share repurchase agreement is to maintain Mittal family’s voting rights in Aperam’s issued share capital (net of Treasury Shares) at the current level, pursuant to the Program.

The shares acquired under this buyback program are intended to be cancelled to reduce the share capital of Aperam, and to meet Aperam’s obligations arising from employee share programs.

- This programme was completed on April 19, 2022. Please see below “Disclosure of trading in own shares under the 2022 share buy back programmes”.

EUR 100 million share buyback program announced on May 6, 2022

On May 6, 2022, Aperam announced an additional share buyback program of up to 100 millions euros (for a total of up to 200 million euros in 2022, with 100 million euros completed on April 19, 2022), and a maximum of 3.5 million shares under the authorization given by the annual general meeting of shareholders held on May 4, 2022 (the “Program”).

Aperam will appoint an investment services provider to execute the repurchases of shares in the open market during open and closed periods.

Aperam intends to repurchase per day a variable number of shares at market price, for an aggregate maximum amount of one hundred (100) million euros and a maximum of 3.5 million (three point five million) shares, over a period from May 9, 2022 up and until December 31, 2022. The price per share, of the shares to be bought under the Program, shall not exceed 110% of the average of the final listing prices of the 30 trading days preceding the three trading days prior to each date of repurchase, in accordance to the resolution of the annual general meeting of shareholders held on May 4, 2022.

Simultaneously, the Mittal family has declared its intention to enter into a share repurchase agreement with Aperam, to sell each trading day on which Aperam has purchased shares under the Program, an equivalent number of shares, at the proportion of the Mittal family’s stake of 40.96% of issued and outstanding shares of Aperam, at the same price as the shares repurchased on the open market. The effect of the share repurchase agreement is to maintain Mittal family’s voting rights in Aperam’s issued share capital (net of Treasury Shares) at the current level, pursuant to the Program.

The shares acquired under this buyback program are intended to be cancelled to reduce the share capital of Aperam, and to meet Aperam's obligations arising from employee share programs.

Disclosure of trading in own shares under the 2022 share buyback programmes

EUR 100 million share buy back program announced on February 11, 2022 (completed)

In aggregate, 2,311,849 shares were bought under this Program, representing an equivalent amount of EUR 100 million.

- Period of repurchases: February 18, 2022 to April 12, 2022 (based on trade date)
- Number of shares acquired: 2,311,849
  - Out of which on Euronext Amsterdam and other regulated dealing platforms: 1,364,915
  - Out of which on Euronext off market platform from the Mittal family: 946,934
- Pecuniary amount of shares acquired: EUR 100 million
  - Out of which on Euronext Amsterdam and other regulated dealing platforms: EUR 59.04 million
  - Out of which on Euronext off market platform from the Mittal family: EUR 40.96 million

The weekly detailed statements of own shares dealings made from February 18, 2022 to April 12, 2022 are available at the Company's website www.aperam.com, section Investors, Equity Investors, Share buy back (Link).

Disclosure of trading in own shares under Luxembourg Company law

– Number of own shares held on December 31, 2021: 2,091,287 or 2.61% of the subscribed capital, representing a nominal value of €103,768,865 and an accounting par value of €10,958,344.
– Number of own shares acquired under share buyback program during the first half of 2022: 2,311,849 or 2.89% of the subscribed capital, representing a nominal value of €100,000,000 and an accounting par value of €12,114,089.
– Number of shares granted during the 2021 financial year to deliver shares to qualifying employees under the Group's Long Term Incentive Plans after fulfilment of performance criteria: 90,545 shares (130,759 shares, net of 40,214 shares retained for tax purposes), or 0.11% of the subscribed capital, representing a nominal value of €4,227,273 and an accounting par value of €474,456.
– Number of own shares held on June 30, 2022: 4,312,591 or 5.39% of the subscribed capital, representing a nominal value of €201,341,886 and an accounting par value of €22,597,977.

The total numbers of outstanding shares (net of treasury shares) as of June 30, 2022 stood at 79,996,280 shares.

Sources and uses of cash

The following table presents a summary of our cash flows for the six months ended June 30, 2022, as compared to the six months ended June 30, 2021:

	Summary of Cash Flows	
	Six months ended June 30,	
	2022	2021
	(in millions of Euros)	
Net cash provided by operating activities	166	221
Net cash used in investing activities	(99)	(76)
Net cash used in financing activities	(120)	(93)

Net cash provided by operating activities

Net cash provided by operating activities amounted to €166 million for the six months ended June 30, 2022, compared to €221 million for the six months ended June 30, 2021, which corresponds to a decrease of €55 million that can be mainly explained by:

- higher operating income by €247 million (from €375 million as of June 30, 2021 to €622 million as of June 30, 2022), more than offset by
- higher increase of the working capital requirements by €252 million (from €239 million as of June 30, 2021 to €491 million as of June 30, 2022) and
- higher income tax paid by €36 million (from €6 million as of June 30, 2021 to €42 million as of June 30, 2022).

Net cash used in investing activities

Net cash used in investing activities amounted to €(99) million for the six months ended June 30, 2022, compared to €(76) million for the six months ended June 30, 2021. The net cash used in investing activities for the six months ended June 30, 2022 was related to capital expenditures of €(95) million and €(4) million of other operating activities, compared to €(73) million of capital expenditures and €(3) million of other operating activities for the six months ended June 30, 2021.

Net cash used in financing activities

Net cash used in financing activities was €(120) million for the six months ended June 30, 2022, compared to €(93) million for the six months ended June 30, 2021. Net cash used in financing activities for the six months ended June 30, 2022 was primarily related to the repayment of ELG debt for €(342) million and EIB loan tranches for €(13) million, purchase of treasury shares of €(100) million, €(78) million of dividend payments and €(6) million of lease payments, partly offset by €300 million of new term loan and additional drawing of of commercial papers of €119 million. In comparison, net cash used in financing activities for the six months ended June 30, 2021 was primarily related to €(71) million of dividend payments, repayments of commercial papers of €(7) million, purchase of treasury shares of €(5) million and €(4) million of lease payments.

Equity

Equity attributable to the equity holders of the parent increased to €3,339 million as of June 30, 2022, compared to €2,945 million on December 31, 2021. This is primarily due to a net profit for the half year of €504 million and foreign currency translation differences of €121 million as Brazilian Real and U.S. dollar appreciated by 13% and 8%, respectively, against Euro during the six months period, partly offset by dividend declaration of €(156) million and share buy-back program of €(100) million.

A strong focus on self-help measures

From the very beginning, Aperam has always pursued a strategy designed to reinforce the robustness of our business using self-help measures. We accomplish this by leveraging our in-house internal improvement measures continuously and by relying on our own resources. This has proven to be a successful strategy, one that supports our performance by reducing our reliance on external factors/resources.

As our key strategic priorities have proven their efficiency in terms of operating and financial performance over the past years, we will remain focused on achieving Phase 4 of the Leadership Journey® through a combination of cost reductions, growth and mix improvement measures.

The Leadership Journey® is an initiative aimed at achieving management gains, fixed and variable cost reductions, and increased productivity over the near and medium-term by enhancing the potential of our best performing assets. The Leadership Journey® is composed of a number of phases that can be broadly characterised as restructuring and cost cutting projects, upgrading best performing assets, transformation initiatives, and growth and mix improvements. Each phase is described in greater details below.

The completed Leadership Journey® initiatives by phase and total target gains:

Phase 1: 2011-2013 Restructuring & cost cutting *Completed*	Phase 2: 2014-2017 Upgrading best performing assets *Completed*	Phase 3: 2018-2020 Transforming the Company *Completed*
Launched at the early stage of the programme in 2011, the restructuring initiatives focused on the closure of non-competitive capacities and the reduction of fixed costs through, in particular, process simplification and major cost cutting investments.	Since the beginning of 2014, major projects were launched to help Aperam overcome bottlenecks in its downstream operations, improve its cost competitiveness, and enhance its product portfolio.	Launched in 2017, this phase of the journey aimed to transform the business and address the next generation needs of our customers by creating a modern, fully-connected and technology-enabled organisation. This was extended in early 2019 to consider cost reductions, including general procurement and raw material savings.
Total gains reached under Phase 1 and Phase 2: U.S.$573 million		Total gains reached under Phase 3: €223 million

Phase 4 of the Leadership Journey®: Combining growth, mix and cost improvements (ongoing)

On November 4, 2020, Aperam announced Phase 4 of its Leadership Journey® with a cumulative target of €150 million gains for the period 2021 to 2023 via a combination of cost reductions, growth and mix improvement measures. This phase of the Leadership Journey®, comprises two stages. First, changes to our footprint to defend our cost leadership in Europe by bundling volumes and expertise at the most efficient lines. This forms a solid basis for the second stage where the resulting increase in productivity will be used for the mix improvement and growth pillars. We plan a total cash out of €90 million for Phase 4 which comprises capex and any associated restructuring costs. As of June 30, 2022, Phase 4 of the Leadership Journey® reached €80 million of cumulated gains.

Phase 4: 2021-2023 Cost, growth and mix improvements *Ongoing*	
Structural cost	– Cost leadership in Europe – Leadership Journey® (Phase 4) – Genk downstream ramp up – Footprint specialization – SG&A improvement
Growth	– Top line strategy – Distribution growth – Alloys growth plan – Brazil growth
Differentiation	– Environmental-Social-Governance (ESG) leadership – Strong balance sheet – Financial discipline – Value oriented M&A approach
Total gains planed under Phase 4 : €150 million	

Structural cost: The ramp-up of our new rolling lines in Genk - the lowest cost plant in Europe - will play a crucial part under Phase 4 of the Leadership Journey® and result in efficiency gains and considerable fixed cost reductions. In addition, we target improvements in our SG&A costs as we start transforming us in a post-Covid-19 era.

Growth in Specialties: The footprint concentration and increasing the flexibility of our lines will also enable us to use specialized lines to further develop high value products. The new set-up is expected to accelerate our top line strategy. The growth components will to some degree materialize beyond 2023 and yield gains in addition to those included in the Phase 4 gains. Our growth initiatives include:

- To grow our sales of high margin value added niche products and replace low contribution margin products, we will continue to focus on developing innovative products through our research and development initiatives, while also leveraging our marketing and advertising efforts for wider promotion. This includes accelerating the stainless steel consumption in the Brazilian market.

- Our industrial footprint in Europe and South America is perfectly complemented by our global service centres and sales networks, which are part of our Services & Solutions segment. In a volatile market environment, we believe that the development of the Services & Solutions segment and the provision of better customer services are key to achieving financial and operational excellence. Our value-added services include cutting, polishing, brushing, forming, welding, pickling, annealing and packaging. We believe that further developing the Services & Solutions segment will not only drive additional value creation, it will also allow us to serve our customers more effectively.

- The Alloys & Specialties segment focuses on the design, production and transformation of various specialty alloys and certain specific stainless steels. These products are intended for high-end applications or to address very specific customer requirements across a broad range of industries, including oil and gas, aerospace, automotive, electronics, and petrochemical - to name only a few. We believe that the Alloys & Specialties segment has significant growth potential, especially in light of our R&D support and creative solutions we offer our customers. As an example, Aperam has launched in cooperation with Tekna, a leading actor in metallic powder manufacturing, a new company named

ImphyTek Powders. It markets Nickel and Specialty Alloy spherical powders for advanced additive manufacturing technologies.

Differentiation: Our recognized Environmental-Social-Governance leadership, strong balance sheet, financial discipline, and value oriented M&A approach will come as a support to our cost and growth initiatives.

Preparing Phase 5 of the Leadership Journey®:

While executing our detailed Phase 4 of the Leadership Journey®, we are already working on further improvement measures post 2023. We announced on May 7, 2021 the investments in revamping the hot rolling mill for long products in Imphy and the re-start of the AOD converter project in Genk that was put on hold in 2019. Both projects, together with the planned specialties center in Gueugnon, will further contribute to the reorientation of our product portfolio towards specialties.

Principal strengths and risks

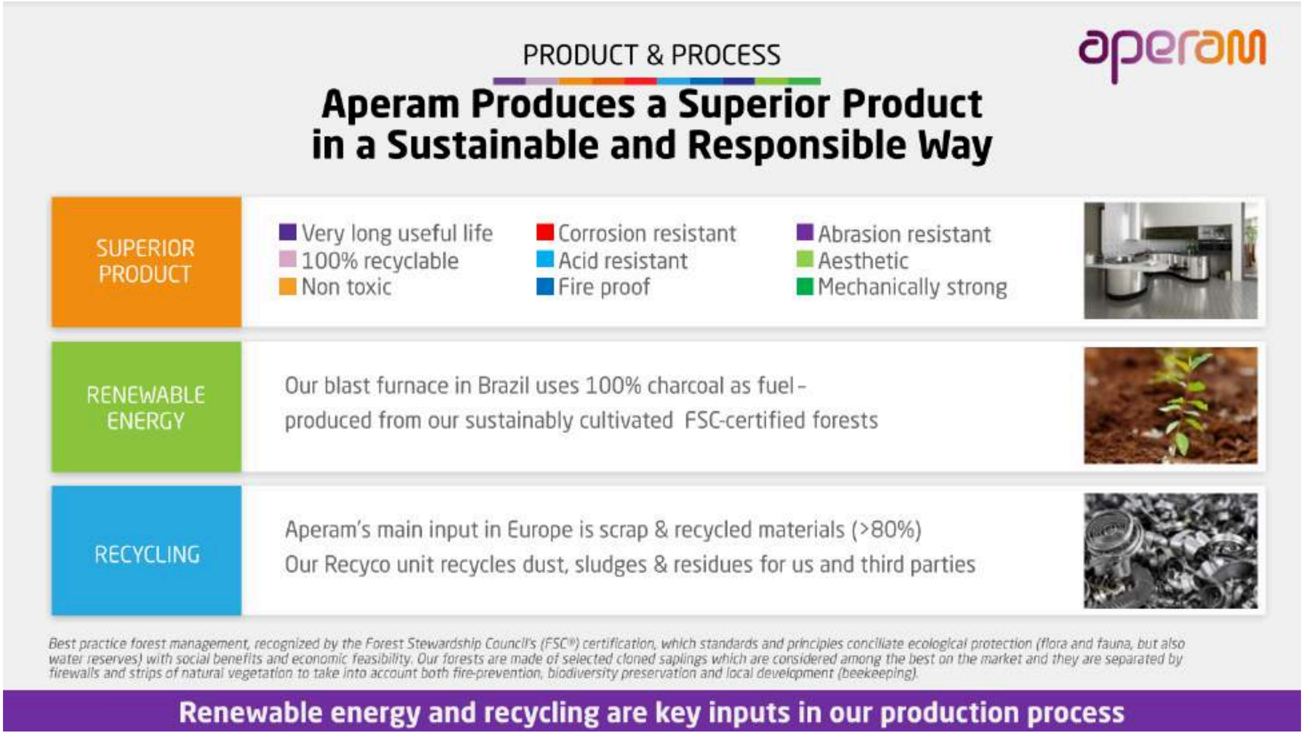
Principal strengths

We believe that our key strengths include:

Sustainable by Design, Made for Life:

Aperam's commitment to sustainability is ingrained in our values and fully aligned with our mission to produce endlessly recyclable products in a responsible manner. We are determined to be a sector leader in environmental excellence, recording the best-in-class carbon footprint of our industry while also striving to adopt best practices in terms of ethics, governance, community engagement and corporate citizenship.

Please refer to sections social and environmental responsibility of this report and to our sustainability reports for greater details.



Our stainless steels are high added value material playing a key role in the energy transition.

e-Mobility solutions

Aperam's solutions enable e-vehicle components such as converters, inverters, onboard-charges, motors, EPS, cooling systems, air conditioning systems, current sensors, charging stations, fuel cells and battery packs

Clean air

Stainless and alloys help the marine transport sector minimizing emissions. Aperam offers scrubbing systems that remove over 90% of Sulphur and 80% of particles. Corrosion resistance grades with high mechanical properties are required

Cryogenic applications

They require a material that can withstand very low temperatures. Aperam solutions (stainless and INVAR M93 LNG tanker) are specially designed for cryogenic storage; transporting natural gas, ethane, or ethylene; and handling liquefied air gases like nitrogen, oxygen and argon

Sustainable water supply

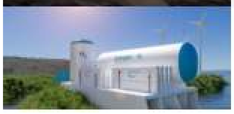
Due to its inert nature, stainless is the material of choice for water supply (e.g. tanks and fountains, water boilers, sanitary piping systems, etc.) and water treatment (e.g. sewerage, distillation, desalination) applications

Solar power

Alloys are resistant to heat, corrosion, fatigue, and creep. It is the ideal material for the receiver tubes used to ensure the flow of molten salt and for glass metal sealing. Stainless, is the material of choice for the structural and fixing elements used in solar power systems.

Renewable energy

> Electrical steels enable high performing wind generators due to their high permeability.
> The magnetic properties of alloys convert and shape an electrical signal from generation to end use
> Anemometric towers built of stainless steel enjoy an increased life span, reduced maintenance costs, improved safety



The hydrogen economy

Stainless steel and alloys are already used in a number of important hydrogen applications eg fuel cells, production and storage installations, and transportation*. Aperam is a big supporter of the shift to hydrogen and a proud member of HydrogenEurope

In Brazil, we also have a strong link to sustainable agriculture: our production process is 100% based on charcoal from our own sustainably cultivated eucalyptus forests, which is unique in the world and gives us a leading carbon footprint globally. In Brazil, about 1,000 of our employees are employed in seedling, nursing and planting eucalyptus trees. Our forest management is based upon the best practices, recognized by the Forest Stewardship Council's (FSC®) certification, which standards and principles conciliate ecological protection (flora and fauna, but also water reserves) with social benefits and economic feasibility. As an example of our responsible forest management, we use the most ecological and advanced technologies to preserve our forests from diseases and fire. Beyond our environmental responsibility in Brazil, we are very proud to be recognised since our creation as one the best companies to work for in Brazil in the steel industry. Thanks to our own Foundation in Brazil we are also very much engaged in educational, cultural, environmental and social aspects of the communities where we operate.

Performance - A competitive footprint in Europe and Brazil

Aperam's modern production facilities allow it to support its customers' stainless and specialty steel requirements with a high-level of operational efficiency.

In Europe, the Group benefits from high-quality and cost-efficient plants, including the largest and most recent electric arc furnace meltshop (Châtelet, Belgium), the largest hot rolling mill (Châtelet, Belgium), one of the largest cold rolling mills (Genk, Belgium) and LC2I, the best-in-class integrated rolling-mill (Isbergues, France). In January 2018, we announced a new investment project of €130 million at our Genk (Belgium) plant. This consists of adding a new cold rolling and a new annealing and pickling line that further facilitate the transformation of our business. With these state-of-the-art modern lines, which use the latest technology, we can enlarge our product range to include the most demanding applications, improve lead-times and our flexibility to meet market demands, increase the efficiency and cost competitiveness of our assets, and continuously enhance our health, safety and environmental impact.

To adapt to market conditions, shortly after its creation, Aperam restructured its downstream operations from 29 to 17 tools in Europe. As a result, Aperam has reached an optimal loading of its most efficient assets and is well positioned in Europe's core markets. To benefit from the long-term growth potential of the stainless and specialty steel market and further improve its cost competitiveness in a highly competitive environment, Aperam aims to continue improving its operational excellence and investing in its industrial asset base with Leadership Journey® initiatives (described in detail under the section "A strong focus on self-help measures").

In South America, Aperam is the only integrated producer of flat stainless and electrical steel. Our integrated production facility is based in Timóteo (Brazil), and produces a wide range of stainless, electrical steel and special carbon products. This production setup is unique, as it allows to switch flexibly between products and markets to maximise profitability.

Based on low levels of historical and apparent consumption per capita and a developing market for stainless steel, management foresees a substantial potential for growth in South America. In Brazil, Aperam continues to benefit from the actions of the Leadership Journey® and Top Line strategy, while the long-term growth prospects in terms of stainless steel consumption have remained intact.

Key strengths of Aperam's European operations

<table>
<tr><th>Sourcing</th><th>Logistics</th><th>Production and innovation</th><th>Sustainability</th></tr>
<tr><td rowspan="4">The only integrated upstream operations in the heart of Europe, with the best access to scrap supply</td><td>Best location to serve Europe's biggest consumption areas</td><td>Full range of innovative stainless steel products</td><td rowspan="4">Aperam's main input in Europe is recycled scrap (up to 90%)
Our Recyco unit recycles dust, sludges & residues for us and third parties</td></tr>
<tr><td rowspan="3">Efficient logistics and working capital management</td><td>Flexibility and efficient capacity</td></tr>
<tr><td>A strategy to be a cost benchmark on key Aperam products</td></tr>
<tr><td>2 major R&D centers</td></tr>
</table>

Key strengths of Aperam’s Brazilian operations

<table>
<tr><th>Sourcing</th><th>Logistics</th><th>Production and Innovation</th><th>Sustainability</th></tr>
<tr><td rowspan="4">The only fully integrated stainless steel facility in South America, with access to iron ore and environmentally friendly charcoal produced from our own eucalyptus forests</td><td>Efficient logistics with integrated service centres</td><td>Full range of products, including flat stainless steel, electrical steel and special carbon</td><td rowspan="4">Our blast furnaces in Brazil use only charcoal as fuel - produced from our sustainably cultivated FSC-certified forests</td></tr>
<tr><td>Only stainless steel producer in South America with best-in-class deliveries to customers</td><td>A flexible production route that allows Aperam to maximise its product mix</td></tr>
<tr><td rowspan="2">Flexible geographic sales capabilities within South America, allowing Aperam to optimise its geographic exposure</td><td>An improving cost position compared to the industry benchmark and one that benefits from best practice benchmarking with European operations</td></tr>
<tr><td>1 major R&D center</td></tr>
</table>

Value add and proximity to Customer - Our Geography and Our Distribution Network

Aperam's research and development activities are closely aligned with our strategy and focus on product and process development. The Group's Research and Development team comprises 134 employees (FTE) spread across two centres in Europe (Isbergues and Imphy, France) and one centre in Timóteo, Brazil. These centres interact closely with the Group's operating segments and partner with industrial end-users and leading research organisations to remain at the forefront of product development. Our research and development capabilities have contributed to both the Group's position as an industry leader and its development of long standing and recognisable brands. Aperam concentrates a significant portion of its research and development budget on high margin, value-added niche products, such as specialty alloys, and on developing products with enhanced capabilities for new applications and end markets. As our customers look to lower their carbon footprint, Aperam is present with a wide range of products answering the strong demand for more sustainability. Some of our solutions are highlighted below.

According to the International Stainless Steel Forum (“ISSF”), the Company is the second largest producer in Europe, and the leading stainless and specialty steel producer in South America. Aperam is well-positioned in both developed and emerging markets. At the Group level, approximately 80% of Aperam’s sales are derived from developed markets and 20% from emerging markets.

Aperam has a strong presence in the European stainless steel market. Not only are the Group's modern production facilities in Belgium and France strategically located close to scrap generating regions, they are also close to the Group’s major customers. Aperam’s European industrial operations have consistently maintained high performance standards through the optimisation of production volumes, inventory and costs.

The Group also has a highly integrated and technically advanced service centre and distribution network that is effective at maintaining direct contact with end-users through its strong sales and marketing capabilities.

Aperam’s integrated stainless and specialty steel sales, distribution and service networks has a total of 15 Steel Service Centres, 5 transformation facilities and 15 sales offices, and is one of the largest in the world. This network, along with its best-in-class service, allows the Group to develop customer loyalty and a consistent and stable customer base, while also capturing additional value in downstream operations. The Group's distribution channels are strategically located in areas of high demand and close to many end-users. The Group's global distribution network enables it to tailor its products to address specific customer needs, thereby facilitating the maintenance of our market share and the capturing of growth opportunities. The Group's customer base is well diversified, consisting of a number of blue chip clients.

Our Premium Products - Alloys and Stainless Specialties

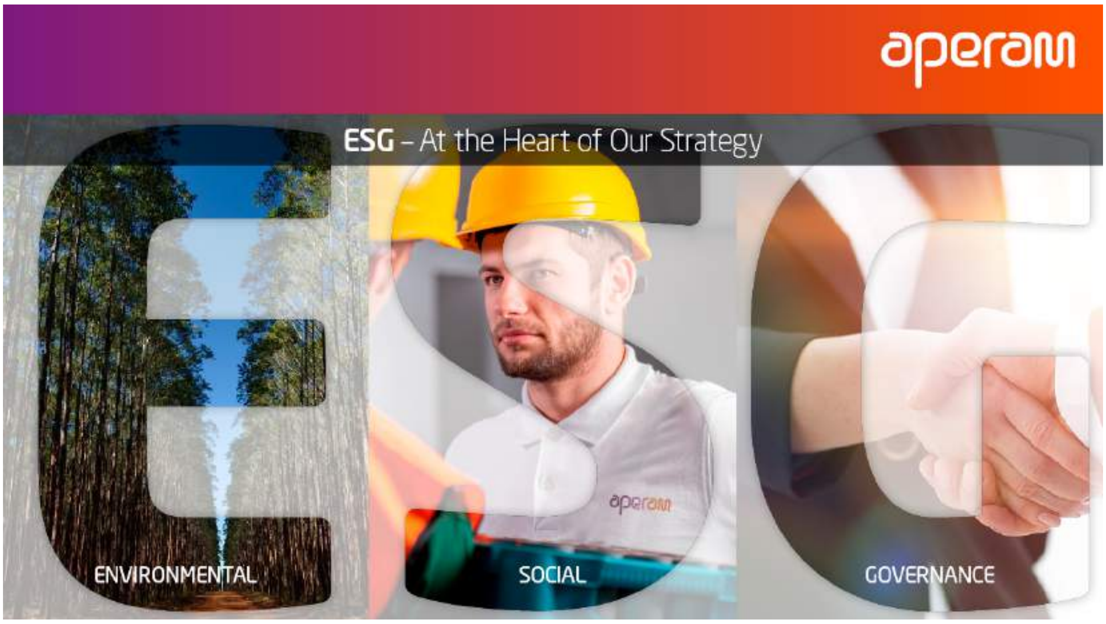
Aperam offers a wide range of products, including high margin value-added niche products to a diversified customer base in both emerging and developed markets. It is this diverse product offering, sold to a wide range of customers across numerous industries, that allows the Group to enjoy greater stability and to mitigate some of the risks and cyclicity inherent in certain markets.

The Group's products are mainly sold to end-users in the automotive, building and construction, catering and appliance, energy and chemicals, and transportation industries. Our electrical steel products are primarily sold to customers in the electric motors, generators and transformers industries. We are the fourth largest global producer of specialty alloys and the largest producer of alloys wire rods and strips, which are sold to customers in the aerospace, automotive, electronics, petrochemical, and oil & gas industries. Aperam has incorporated in 2020 together with Tekna Plasma Europe, a leading actor in metallic powder manufacturing, a new joint-venture company named ImphyTek Powders SAS. It will market Nickel and Specialty Alloy spherical powders for advanced additive manufacturing and metal injection molding technologies.

In addition, Aperam's leading position in specialty alloys, which is a particularly high margin value added niche, helps the Group maintain and improve its margins and profitability.

Recycling leadership

Aperam Recycling is one of the global leaders in recycling of stainless and specialty alloys in the world. With 51 locations in industrial hubs across the world, Aperam’s recycling footprint helps our own divisions and external customers source sustainable raw material.



Summary of Principal risks and uncertainties related to the Company and the stainless and specialty steel industry

The following major factors could cause actual results to differ materially from those discussed in the forward-looking statements included throughout this Interim Financial Report.

- Macro-economic & geopolitical risks indirectly impacting Aperam
- The risks of nickel price fluctuation, raw material price uncertainty, material margin squeeze, over dependency of main suppliers and electricity
- Fluctuations in currency exchange rates
- Litigation risks (product liability, patent infringement, commercial practices, employment, employment benefits, taxes, environmental issues, health & safety)
- Risks of lack of competitiveness of the workforce costs, of losing key competencies and inability of attracting new key competencies, and social conflicts
- Customer risks in respect to default and credit insurance companies refusing to ensure the risks
- Cybersecurity risks
- Risk of production equipment breakdown, risk of disruption of operations and supply chain, risk of pandemic virus

These factors are discussed in more detail in the “Principal risks and uncertainties related to the Company and the stainless and specialty steel industry” section of our Annual Report 2021.

Our Sustainability reports are issued on a yearly basis ahead of the Annual General Meeting of shareholders and available on Aperam's website www.aperam.com under section “Sustainability” > “Essentials” > “Sustainability reports” and highlight the key pillars of our Sustainability roadmap: Link.

Corporate responsibility and Governance

Aperam’s commitment to sustainability is ingrained in our values of Leadership, Ingenuity and Agility, fully aligned with our mission to produce endlessly recyclable products in a responsible manner and embedded in our business model.
We are determined to be a sector leader in environmental excellence, recording the best carbon footprint of our industry while also striving to adopt best practices in terms of ethics, governance, community engagement and corporate citizenship.
Our Sustainability roadmap is threefold and fully embedded in our business model.

Social Responsibility

Our commitment to a safe and healthy workplace

The health and safety of all the people who work for and with Aperam is our top priority with an objective of Zero fatalities, zero injuries. Our first duty as an employer is to ensure that no one working for Aperam suffers any harm from her or his work. For this reason, all Aperam Group teams work in unison to make sure that appropriate mindsets and procedures (including certifications such as ISO 45001) are always in place everywhere in the organisation and that this commitment is also reflected in the personal objectives allocated to each Aperam employee. Furthermore, we continue to work on programmes to support the health and well-being of our employees.

Health and Safety remained as a top priority within the organisation during the first half of 2022. Unfortunately, we faced a fatal accident of a subcontractor employee in April of this year in our Viracopos plant in Brazil (falling through a roof). We are convinced that with the realisation of our Health and Safety Roadmap and Action Plan 2022 we will be able to reach our goal of becoming a zero incident company.

To monitor our health and safety performance, the Company uses the "Lost Time Injury Frequency rate" (LTIF) indicator, a key metric that measures the time lost due to injuries per 1,000,000 worked hours. In the first half of 2022, our LTIF rate was 2.2x compared to 2.5x in the first half of 2021. Focus has been on slip/trip and fall prevention as this cause was the dominant factor in our accidentology.

On the Covid front, we went from a Central Crisis coordination towards local Management to allow adaptations to the local situation and regulations. This is in line with the lowering of the measures by the authorities of the different countries were we are active in.

More details on our social responsibility can be found in our Sustainability reports available on www.aperam.com, section "Sustainability" > "Essentials" > "Sustainability Reports" (Link).

People development and motivation

We believe that our employees' added-value appreciate over time with an expertise that is constantly being enhanced with on-the-job experience and training, and greater autonomy - all this is essential to continuous innovation and efficiency.

This is why monitoring the performance of our workforce over time, with yearly routines to touch base and well defined training needs, is so essential. Experienced employees also help with onboarding newcomers via a structured mentoring process or simply day-to-day on-the-job training. But to do that with perfect efficiency, we have expanded the coverage of the Learning Management module of our People Management Information System.

This way, we can optimise the various learning opportunities provided to our teams, integrate more employees on the Performance Management module for an efficient feedback process and develop our new culture of continuous capacity building.

But to define the right career paths for our people, we also need to be active listeners and use the results of our regular all-employee Climate surveys to improve further our work conditions and maintain our ranking as one of the best employers in the industry. In Brazil, we are regularly recognised by Guia Você as one the best companies to work in for the steel industry and in France, the Capital magazine also rate us among the best employers of the 'Heavy Industry & Metals' sector.

More details regarding Social Relations and Diversity and Inclusion and other Social programs are published in our yearly sustainability reports and on our website www.aperam.com under section "Sustainability">"Social". For further information regarding sustainability, please refer to our yearly "Made for Life" reports.

Corporate Governance and Stakeholder relationships

Aperam aims to continuously improve its Corporate Governance in line with its vision of Corporate citizenship, ethics and responsibility. We are committed to monitor and anticipate legal requirements, adopt state-of-the-art practices in corporate governance and adjust our controls and procedures where necessary.

We comply with the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange.

Please refer to the "Corporate Governance" section of Aperam's Annual Report 2021 for a complete overview. Aperam's Annual Report is available at www.aperam.com under the "Investors" > "Reports & Presentations" > " Financial Reports" (Link).

The purpose of the present section is solely to describe the events and changes affecting Aperam's corporate governance between December 31, 2021, and June 30, 2022.

Corporate Governance

Composition of the Board of Directors

On May 4, 2022, the Annual General Meeting of Shareholders approved the re-election of Mr. Lakshmi N. Mittal, Mrs. Bernadette Baudier and Mr. Aditya Mittal, and the election of Mrs. Roberte Kesteman as Members of the Board of Directors of Aperam for a three year term. The election of Mrs. Roberte Kestman follows the decision of Mr. Joseph Greenwell to step down from the Board of Directors for personal considerations effective May 4, 2022. Mr. Joseph Greenwell joined the Board in 2013 and was a member of the Audit and Risk Management Committee, and of the Remuneration, Nomination and Corporate Governance Committee. The members of the Board of Directors extended their warmest gratitude and appreciation for Mr. Greenwell's valuable contribution to the Board. Please refer to the biographical information part of the shareholder meeting material available at www.aperam.com under the "Investors" > "Equity Investors" > "Annual General Meeting" > "4 May 2022 - General Meetings of Shareholders" (Link).

The members of the Board of Directors, as well as their memberships to the Board's Committees as of issue of this report, are set forth below.

Name	Position within Aperam [2]	Date joined Board	Term expires
Mr. Lakshmi N. Mittal	Chairman of the Board of Directors	December 2010	May 2025
Dr Ros Rivaz[1]	Lead Independent Director	May 2020	May 2023
Mrs. Bernadette Baudier[4]	Director	May 2019	May 2025
Mr. Sandeep Jalan	Director	November 2020	May 2024
Mrs. Roberte Kesteman[1] [2]	Director	May 2022	May 2025
Mr. Alain Kinsch[2] [3]	Director	May 2020	May 2023
Mr. Aditya Mittal	Director	December 2010	May 2025

Notes:
(1) Member of the Remuneration, Nomination and Corporate Governance Committee
(2) Member of the Audit and Risk Management Committee
(3) Chair of the Remuneration, Nomination and Corporate Governance Committee
(4) Chair of the Audit and Risk Management Committee

Information related to the shares of the Company

Authorisation of grants of share-based incentives

On May 4, 2022, the Annual General Meeting of Shareholders authorised the Board of Directors to issue up to 220,000 of the Company’s fully paid-up ordinary shares under the Leadership Team Performance Share Unit Plan (hereinafter “LT PSU Plan”). Awards under the LT PSU Plan are subject to the fulfilment of cumulative performance criteria over a three-year period from the date of the PSU grant. Such criteria include as from 2022 onward also Environmental, Social and Governance related targets in addition to relative Earnings Per Share and Total Shareholder Return targets. The details of the LT PSU Plan are described in the convening notice, as well as in an explanatory presentation available at www.aperam.com under the “Investors” > “Equity Investors” > “Annual General Meeting” > “4 May 2022 - General Meetings of Shareholders” (Link).

Authorisation for cancellation of shares and reduction of issued share capital

On May 4, 2022, the Extraordinary General Meeting authorised the Board of Directors to cancel all the shares repurchased by the Company under its share buyback programs announced on July 30, 2021 and February 11, 2022, up to a maximum of 4,459,592 shares while amending the articles of association, reducing or cancelling the relevant reserves in consequence and approving the required delegations. Please refer to section “Earnings distribution” of this Interim Management Report for more details regarding the share buyback program.

Renewal of the authorisation of the Board of Directors of the Company and of the corporate bodies of other companies in the Aperam group to acquire shares in the Company

On May 4, 2022, the Annual General Meeting of Shareholders decided (a) to terminate with effect as of the date of the General Meeting the authorisation granted to the Board of Directors by the General Meeting of Shareholders held on May 7, 2019 with respect to the share buy-back programme, and (b) to authorise, effective immediately after this Annual General Meeting, the Board of Directors of the Company and the corporate bodies of the other companies in the Aperam group in accordance with the Luxembourg law of 10 August 1915 on commercial companies, as amended (the “Law”), to acquire and sell shares in the Company in accordance with the Law and any other applicable laws and regulations, including but not limited to entering into off-market and over-the-counter transactions and to acquire shares in the Company through derivative financial instruments.

The authorisation will allow the Company to hold or repurchase shares not exceeding 10% of the Company’s issued share capital. The present authorisation is valid for a period of five (5) years or until the date of its renewal by a resolution of the general meeting of shareholders if such renewal date is prior to the expiration of such five-year period. The full details of the authorisation are available in the convening notice at www.aperam.com under the under the “Investors” > “Equity Investors” > “Annual General Meeting” > “4 May 2022 - General Meetings of Shareholders” (Link).

Shareholding notifications with reference to Transparency Law requirements

With reference to the law and Grand-Ducal regulation of January 11, 2008, on transparency requirements for issuers of securities (Transparency Law) and to shareholding notifications for crossing the threshold of 5% voting rights, such notifications are available in the Luxembourg Stock Exchange's electronic database OAM on www.bourse.lu and on the Company's website (www.aperam.com) under the “Investors” > “Equity Investors” > “Share Capital & Voting Rights” section (Link).

– On January 7, 2022, Aperam announced shareholding notifications from HSBC Trustees (C.I.) Limited.

Designated person notifications with reference to Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulations)

With reference to Article 19(3) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulations) and to notifications of share transaction by Designated Persons (i.e. Directors or Executive Officers), such notifications are available in the Luxembourg Stock Exchange's electronic database OAM on www.bourse.lu and on www.aperam.com under "Investors" > "News & Contact" > "Managers' Transactions" section (Link).

Our environmental responsibility

Aperam has a state-of-the art CO_2 footprint in the stainless steel industry[1] thanks to its European production route based on fully recyclable stainless steel scrap, and the use of charcoal from its sustainable cultivated forests in Brazil.

The full recyclability of our products, combined with our reliable and safe production process makes Aperam's products a key building block for a sustainable future and a perfect example of circular economy.

In Q1 of 2022, we were able to announce that we emit just 330 kg of CO2 per tonne of steel or about a third of the stainless industry average emissions. Our roadmap is for reducing this by 30% in 2030 versus the 2015 comparable baseline.

Sustainable production processes

Metallurgy is a heavy industry requiring huge power and hazardous substances to transform raw materials into the precise blend of alloys requested by our clients. As we aim for environmental excellence independently of evolving regulatory standards, resource-efficiency topics (energy, raw materials, water) rank high on our priority list, which also covers such key areas as water discharge, waste management and recyclability.

This explains why we have a continuous improvement mindset and defined ambitious 2030 improvement targets (see below).

Our 2030 environmental objectives, are as follows :

- **30% CO_2e intensity reduction vs. 2015**;
  This is a new effort on top of the previous target of 35% reduction expected in 2020 vs. 2007
- **11% Energy intensity (electricity and natural gas) reduction vs. 2015;**
- **70% Dust emissions intensity reduction vs. 2015;**
- **40% Water intake reduction vs. 2015**
- **>97% reuse/recycle performance aiming at a long-term target of 100%**

[1] Scope 1 and 2. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company.

Climate Change and CO_2e leadership

Today already, our state-of-the-art carbon footprint (scope 1 and 2), over twice better than ISSF's average, is based on our leveraging of the best available techniques. On the Brazilian side, our blast furnace plant is fuelled with charcoal (biomass) from Aperam BioEnergia, our eucalyptus forestry, which is a natural and renewable substitute for fossil fuels (coke). On the European side, our electric arc furnaces leverage locally available scrap material instead of extractive raw materials, generating a much lower level of CO_2 emissions than traditional blast furnaces.

But we aim to progress further, and we have been using an internal price of CO_2 since 2016 in order to incentivize the teams to integrate this aspect in every investment project and look for innovative solutions. Likewise, our 2030 objective and important share of renewable energy are only first steps towards our long-term objective of carbon neutrality by 2050. Across the entire company, we have dedicated projects and teams trying to reach our ambitious Company targets and preparing the long-term action plan in line with our vision.

Aperam is well on track to fulfil its 2030 CO2 commitments :

- *In 2022 we commissioned the second largest solar power installation in Belgium on our Genk site with a capacity of 20.3 GWh.*
- *For the modernization of our Wire Rod Mill in Imphy, induction heating is under construction as a first important step to reduce Aperam's dependency to natural gas by the electrification of our reheating processes.*
- *On top, Aperam further developed its best in class forest management in Brazil, which allowed Aperam SA to be carbon neutral in scope 1 and 2, based on its use of carbon free charcoal and the carbon offset generated by the CO2 forest sequestration.*

BioEnergìa and Carbon Sequestration

In Brazil, we have unique capability to produce stainless and specialty steel from low cost biomass (charcoal) produced by Aperam BioEnergìa with the timber from its eucalyptus forests. The charcoal produced at BioEnergìa is used in our steel-making process as a natural and renewable substitute for fossil fuels (coke). This allows us to entirely eradicate the use of extractive coke and makes our stainless steel a leader in terms of CO_2e footprint.

In addition, in 2021 and for the first time, we certified externally the accruals in carbon sequestration operated by our forestry in Brazil, both on the cultivated parcels and on the preservation areas of native forest that are also a haven for biodiversity. For 2021, the impact of this yearly sequestration[2] is two fifth of the total group Greenhouse Gas emissions (scope 1+2) and makes Aperam South America's operations virtually neutral on the same scope. This is made possible on the cultivated parcels thanks to the increase of wood density per square meter year on year thanks to the technical knowledge and excellence of the BioEnergia team.
This powerful carbon offset is mainly related to the best-in-class (FSC-certified) forestry management of BioEnergìa, including the careful genetic selection of the specific breeds of eucalyptus able to adapt to the local conditions while producing the highest density wood for a state-of-the-art charcoal production.
Such carbon offsetting will be instrumental as part of Aperam's neutrality roadmap, as a complement to the active decarbonization of our steelmaking process.

[2] including the sequestration operated by the Oìkos park, in Timóteo.

Scrap recycling

Steel is an endlessly reusable product, meaning it is an input in both our industrial process and our end products. Our scrap ratio can reach an average of 90% for some grades. This is a unique property, and one that Aperam is fully committed to optimising. But as an active promoter of a circular economy, we do not only recycle scrap into our production but also such external wastes as tires and cans and we take part in the recycling loop for many other materials like electrodes and refractories.

Placing the circular economy at the core of Aperam's growth strategy

Effective in December 2021, the acquisition of ELG puts Aperam at the core of the circular economy and enables capturing value in the global recycling industry. Investing in sustainable recycling will further improve Aperam's leading environmental footprint and support the company's CO_2e reduction targets. The transaction also enables Aperam to improve its input mix and to expand into the supply of raw materials. Please refer to above section "A strong focus on self-help measures" for further details on the acquisition of ELG.

Source: Aperam, SMR, ISSF

Pollution prevention and biodiversity protection

In addition to our responsibility towards future generations, we also ensure that we are always ready to address immediate emergencies, such as fire and pollution. We do this through specific industrial risk projects, risk audits, regular training and on-site simulations. At our main sites, these exercises are periodically set up with local authorities to assess the efficiency of our procedures for informing and protecting local communities. We also closely manage our effluents, especially our dust emissions, which are inconvenient to surrounding communities, as well as our water discharge quality. Besides, we conduct periodic and complementary soil and noise analyses.

More special in our industry is our focus on biodiversity. We are proud of our Brazilian FSC-certified forestries and their ability to combine efficient plantation management (using biological pest control) with a well-applauded programme for protecting local flora and fauna, including large mammals.

Provision of energy-efficient steel solutions in line with United Nations' Sustainable Development Goals

Within our responsibility to the environment, we are also committed to propose energy-efficient and water-saving steel products capable of helping society to solve global environmental challenges. Stainless steel's endless recyclability, durability and mechanical resistance make it the perfect fabric of a sustainable society, opening up new opportunities for Aperam.

Our products are used in a number of energy efficient applications by our industrial customers, thereby contributing to the United Nations' Sustainable Development Goals 3, 5, 6, 7, 9, 12, 13 and 16 Health & Safety; Gender Equality; Clean Water and Sanitation; Affordable and Clean Energy; Industry; Innovation and infrastructure; Sustainable cities and communities; Responsible Consumption and Production; Climate Action; Peace, justice and strong institutions.

More details on our environmental responsibility can be found in our Sustainability reports available on www.aperam.com, section "Sustainability" > "Essentials" > "Sustainability Reports" (Link).

Our 100% recyclable and low energy-consumer comprise:
> e-mobility solutions,
> clean air,
> cryogenic applications,
> sustainable water supply,
> solar power,
> renewable energy,
> hydrogen economy.

Related Party Transactions

We are engaged in certain commercial and financial transactions with related parties. Please refer to the Interim Condensed Consolidated Statement of Operations for the six months ended June 30, 2022, and to Note 23 to the Consolidated Financial Statements as of December 31, 2021, for further details.

Aperam, Société Anonyme

Interim Condensed Consolidated Financial Statements as of and for the six months ended June 30, 2022

Verrière Hôtel de la Marine, Paris - Agence 2BDM et Hugh Dutton Associés/HDA © Nicolas Trouillard
Executed using grade Aperam 304L with Uginox Meca 7D (Mirror polish)

Aperam, Société Anonyme

Interim Condensed Consolidated Financial Statements

As of and for the six months ended June 30, 2022

Aperam S.A.
Société Anonyme

24-26 Boulevard d'Avranches L-1160 Luxembourg
R.C.S Luxembourg B 155.908

Responsibility statement

We confirm to the best of our knowledge that:

1. the Interim Condensed Consolidated Financial Statements of Aperam presented in this Interim Financial Report 2022, prepared in conformity with International Accounting Standard 34, *Interim Financial Reporting*, as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position, and results of Aperam and the undertakings included within the consolidation taken as a whole as of June 30, 2022, and for the six months period then ended; and

2. the interim management report includes a fair review of the development and performance of the business and position of Aperam and the undertakings included within the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

On behalf of the Board of Directors
July 27, 2022

Member of the Board of Directors, Chair of the Audit and Risk Management Committee
Bernadette Baudier

Chief Executive Officer
Timoteo Di Maulo

Chief Financial Officer
Sudhakar Sivaji

Aperam

Interim Condensed Consolidated Statement of Operations

(in millions of Euros except share and per share data)

	Six months ended June 30,	
	2022	**2021**
Sales (Note 3) (including 87 and 36 of sales to related parties in 2022 and 2021, respectively)	4,722	2,449
Cost of sales (including depreciation and amortisation of 90 and 71, and purchases from related parties of 277 and 172 for 2022 and 2021, respectively)	(3,958)	(1,978)
Gross margin	**764**	**471**
Selling, general and administrative expenses	(142)	(96)
Operating income (Note 3)	**622**	**375**
Financing costs, net	44	(2)
Income before taxes	**666**	**373**
Income tax expense (Note 4)	(162)	(44)
Net income	**504**	**329**
Net income attributable to Equity holders of the parent	504	329
Non-controlling interests	—	—
Net income	**504**	**329**
Earnings per common share (in Euros):		
Basic	6.57	4.12
Diluted	6.55	4.10
Weighted average common shares outstanding (in thousands):		
Basic	76,602	79,878
Diluted	76,943	80,196

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Aperam

Interim Condensed Consolidated Statement of Comprehensive Income / (Loss)

(in millions of Euros)

	Six months ended June 30,	
	2022	**2021**
Net income	**504**	**329**
Items that cannot be recycled to the consolidated statement of operations:		
Remeasurement of defined benefit obligation during the period, net of tax expense of 5 and nil for 2022 and 2021, respectively	28	—
Items that can be recycled to the consolidated statement of operations:		
Cash flow hedges:		
Gain arising during the period, net of tax expense of 10 and 1 for 2022 and 2021, respectively	34	5
Reclassification adjustments for gain included in the consolidated statement of operations, net of tax expense of 16 and 1 for 2022 and 2021, respectively	(47)	(3)
Total cash flow hedges	(13)	2
Exchange differences arising on translation of foreign operations, net of tax expense of nil and nil for 2022 and 2021, respectively	122	51
Total other comprehensive income	**137**	**53**
Total other comprehensive income attributable to:		
Equity holders of the parent	137	53
Non-controlling interests	—	—
Total other comprehensive income	**137**	**53**
Net comprehensive income	**641**	**382**
Net comprehensive income attributable to:		
Equity holders of the parent	641	382
Non-controlling interests	—	—
Net comprehensive income	**641**	**382**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Aperam

Interim Condensed Consolidated Statement of Financial Position

(in millions of Euros)

	June 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	485	524
Trade accounts receivable	803	556
Inventories (Note 5)	2,836	2,332
Prepaid expenses and other current assets (Note 6)	301	89
Income tax receivable	6	5
Total current assets	**4,431**	**3,506**
Non-current assets:		
Goodwill and intangible assets	454	439
Biological assets	30	31
Property, plant and equipment	1,750	1,695
Investments in associates, joint ventures and other investments	3	4
Deferred tax assets	102	135
Other assets	112	101
Total non-current assets	**2,451**	**2,405**
Total assets	**6,882**	**5,911**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Aperam

Interim Condensed Consolidated Statement of Financial Position

(in millions of Euros)

	June 30, 2022	December 31, 2021
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt including current portion of long-term debt (Note 7)	292	271
Trade accounts payable	1,539	1,200
Short-term provisions	20	27
Accrued expenses and other liabilities	463	321
Income tax liabilities	85	34
Total current liabilities	**2,399**	**1,853**
Non-current liabilities:		
Long-term debt, net of current portion (Note 7)	764	719
Deferred tax liabilities	149	132
Deferred employee benefits	148	186
Long-term provisions	65	60
Other long-term obligations	11	8
Total non-current liabilities	**1,137**	**1,105**
Total liabilities	**3,536**	**2,958**
Equity (Note 8):		
Common shares (no par value, 88,100,042 and 88,100,042 shares authorised, 79,996,280 and 79,996,280 shares issued and 75,683,689 and 77,904,993 shares outstanding as of June 30, 2022 and December 31, 2021, respectively)	419	419
Treasury shares (4,312,591 and 2,091,287 common shares as of June 30, 2022 and December 31, 2021, respectively	(201)	(106)
Share premium	1,095	1,097
Retained earnings	2,607	2,253
Accumulated other comprehensive loss	(581)	(718)
Equity attributable to the equity holders of the parent	**3,339**	**2,945**
Non-controlling interests	7	8
Total equity	**3,346**	**2,953**
Total liabilities and equity	**6,882**	**5,911**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Aperam
Interim Condensed Consolidated Statement of Changes in Equity
(in millions of Euros, except share data)

						Accumulated other Comprehensive Income (Loss)						
	Shares[(1)]	Share capital	Treasury shares	Share premium	Retained earnings	Foreign currency translation adjustments	Unrealised gains / (losses) on derivatives financial instruments	Unrealised gains / (losses) on equity instruments at Fair Value through OCI	Recognised actuarial gains / (losses)	Equity attributable to the equity holders of the parent	Non-controlling interests	Total Equity
Balance at December 31, 2020	**79,895**	**419**	**(4)**	**1,098**	**1,424**	**(718)**	**3**	**—**	**(22)**	**2,200**	**4**	**2,204**
Net income	—	—	—	—	329	—	—	—	—	329	—	329
Other comprehensive income	—	—	—	—	—	51	2	—	—	53	—	53
Total comprehensive income	—	—	—	—	329	51	2	—	—	382	—	382
Recognition of share based payments	71	—	3	(1)	—	—	—	—	—	2	—	2
Dividends (Note 8)	—	—	—	—	(140)	—	—	—	—	(140)	(1)	(141)
Purchase of treasury shares	(101)	—	(5)	—	—	—	—	—	—	(5)	—	(5)
Other movements	—	—	—	—	—	—	—	—	—	—	1	1
Balance at June 30, 2021	**79,865**	**419**	**(6)**	**1,097**	**1,613**	**(667)**	**5**	**—**	**(22)**	**2,439**	**4**	**2,443**
Balance at December 31, 2021	**77,905**	**419**	**(106)**	**1,097**	**2,253**	**(713)**	**2**	**—**	**(7)**	**2,945**	**8**	**2,953**
Net income	—	—	—	—	504	—	—	—	—	504	—	504
Other comprehensive income (loss)	—	—	—	—	—	122	(13)	—	28	137	—	137
Total comprehensive income (loss)	—	—	—	—	504	122	(13)	—	28	641	—	641
Recognition of share based payments	91	—	5	(2)	—	—	—	—	—	3	—	3
Dividends (Note 8)	—	—	—	—	(156)	—	—	—	—	(156)	(1)	(157)
Purchase of treasury shares (Note 8)	(2,312)	—	(100)	—	—	—	—	—	—	(100)	—	(100)
Other movements	—	—	—	—	6	—	—	—	—	6		6
Balance at June 30, 2022	**75,684**	**419**	**(201)**	**1,095**	**2,607**	**(591)**	**(11)**	**—**	**21**	**3,339**	**7**	**3,346**

(1) Number of shares denominated in thousands, excludes treasury shares.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Aperam

Interim Condensed Consolidated Statement of Cash Flows

(in millions of Euros)

	Six months ended June 30	
	2022	**2021**
Operating activities:		
Net income	504	329
Adjustments to reconcile net income to net cash provided by operations and payments:		
Depreciation and amortisation	90	71
Net interest expense	6	4
Income tax expense (Note 4)	162	44
Net write-downs of inventories to net realisable value (Note 5)	104	7
Unrealised (gains)/ losses on derivative instruments	(160)	(3)
Unrealised foreign exchange effects, other provisions and non-cash operating (income)/expenses, (net)	16	(23)
Changes in operating working capital:		
Trade accounts receivable	(216)	(125)
Trade accounts payable	312	156
Inventories	(587)	(270)
Changes in other operating assets, liabilities and provisions:		
Interest paid, (net)	(1)	(3)
Income taxes paid	(42)	(6)
Other working capital movements and provisions movements	(22)	40
Net cash provided by operating activities	**166**	**221**
Investing activities:		
Purchase of property, plant and equipment, intangible and biological assets (CAPEX)	(95)	(73)
Acquisition of net assets of subsidiaries, net of cash acquired of nil and 5 in 2022 and 2021, respectively	—	(2)
Other investing activities, (net)	(4)	(1)
Net cash used in investing activities	**(99)**	**(76)**
Financing activities:		
Net payments of short-term debt	(34)	(13)
Proceeds from long term debt, net of debt issuance costs	299	—
Payments of long term debt	(201)	—
Purchase of treasury shares (Note 8)	(100)	(5)
Dividends paid (includes 1 and 1 of dividends paid to non-controlling shareholders in 2022 and 2021, respectively) (Note 8)	(78)	(71)
Payment of principal portion of lease liabilities and other financing activities, (net)	(6)	(4)
Net cash used in financing activities	**(120)**	**(93)**
Effect of exchange rate changes on cash and cash equivalents	14	7
Net (decrease) increase in cash and cash equivalents	(39)	59
Cash and cash equivalents :		
At the beginning of the period	524	358
At the end of the period	485	417

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

SUMMARY OF NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Nature of business, basis of presentation and consolidation

Note 2: Business combinations

Note 3: Segment reporting

Note 4: Income tax

Note 5: Inventories

Note 6: Prepaid expenses and other current assets

Note 7: Short-term and long-term debt

Note 8: Equity

Note 9: Financial Instruments

Note 10: Commitments

Note 11: Contingencies

Note 12: Subsequent events

NOTE 1: NATURE OF BUSINESS, BASIS OF PRESENTATION AND CONSOLIDATION

Nature of business

Aperam *Société Anonyme* ("Aperam") was incorporated in Luxembourg on September 9, 2010 to own certain operating subsidiaries of ArcelorMittal *Société Anonyme* ("ArcelorMittal") which primarily comprised ArcelorMittal's stainless steel and specialty alloys business. This business was transferred to Aperam prior to the distribution of all its outstanding common shares to shareholders of ArcelorMittal on January 26, 2011. Collectively, Aperam together with its subsidiaries are referred to in these interim condensed consolidated financial statements as the "Company". The Company's shares have been trading on the European stock exchanges of Amsterdam, Paris (Euronext) and Luxembourg since January 31, 2011, and Brussels (Euronext) since February 16, 2017.

Accounting policies

The interim condensed consolidated financial statements for the six months ended June 30, 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2021. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards effective as of January 1, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.
Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

The preparation of financial statements in conformity with IFRS recognition and measurement principles requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on an ongoing basis using currently available information. Changes in facts and circumstances may result in revised estimates, and actual results could differ from those estimates.

NOTE 2: BUSINESS COMBINATIONS

In 2021, Aperam opened the next chapter in its transformation with the acquisition of ELG – a leading recycling company for stainless steel scrap and superalloys. The most significant information about this transaction is described in Note 3 to the consolidated financial statements as of and for the year ended December 31, 2021.

Purchase Price Allocation

In 2021, Aperam performed a preliminary purchase price allocation on the assets, liabilities and contingent liabilities based on their fair values which resulted in a preliminary bargain purchase gain of €117 million, resulting from seller's strategy, ELG's features and deal dynamics, recognized in cost of sales for the year ending December 31, 2021.

During the first half of 2022, the Company completed the purchase price allocation described above by adjusting the fair value on the tangible assets by €(7) million and the deferred tax liability by €2 million which resulted in a final bargain purchase gain of €112 million. This final adjustment of the bargain purchase gain of €(5) million has been recognized in cost of sales for the six months period ended June 30, 2022.

The table below summarizes the acquisition-date fair value of the assets acquired and liabilities assumed in respect of ELG:

(in millions of Euros)	December 31, 2021	Additional PPA adjustments	June 30, 2022
Intangible assets	12	—	12
Property, plant & equipment (including Right-of-use assets)	169	(7)	162
Deferred tax assets	8	2	10
Non-current assets	16	—	16
Inventories [(1)]	473	—	473
Trade receivables [(1)] [(2)]	209	—	209
Prepaid expenses and other current assets	17	—	17
Total assets acquired	**904**	**(5)**	**899**
Long term and short term debt	(500)	—	(500)
Trade payables [(1)]	(102)	—	(102)
Deferred employee benefits	(57)	—	(57)
Other non-current and current liabilities	(95)	—	(95)
Total liabilities acquired	**(754)**	**—**	**(754)**
Net assets acquired	**150**	**(5)**	**145**
Non-controlling interests [(3)]	(4)	—	(4)
Consideration paid, net of cash acquired of €1 million	(29)	—	(29)
Bargain purchase gain	**117**	**(5)**	**112**

Notes:
(1) Operating working capital of €580 million as of December 31, 2021 made of Inventories of €473 million, Trade receivables of €209 million and Trade payables of €(102) million.
(2) The loss allowance on trade receivables recognized at acquisition date was insignificant.
(3) Non-controlling interests have been measured at proportionate share of ELG's subsidiaries net identifiable assets.

NOTE 3: SEGMENT REPORTING

Aperam reports its operations in four segments: Stainless & Electrical Steel, Services & Solutions, Alloys & Specialties and Recycling & Renewables.

As announced on December 27, 2021, ELG has been fully consolidated into the Aperam Group's statement of financial position as of acquisition date under the segment "Recycling". Starting January 1, 2022, the Recycling segment has been further developed into a Recycling & Renewables segment that represents

Aperam's position at the core of the circular economy. This new segment includes Aperam Bioenergia, ASB Recycling, ELG and Recyco.

The following table summarises certain financial data relating to Aperam's operations in its different segments:

(in millions of Euros)	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others / Eliminations(1)	Total
Six months ended June 30, 2022						
Sales to external customers	1,727	1,619	308	1,069	(1)	4,722
Intersegment sales(2)	1,439	58	2	454	(1,953)	—
Operating income (loss)	550	112	31	(28)	(43)	622
Depreciation, amortization and Impairment	(50)	(6)	(5)	(28)	(1)	(90)
Capital expenditures	(73)	(2)	(7)	(13)	—	(95)

(in millions of Euros)	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others / Eliminations(1)	Total
Six months ended June 30, 2021 (3)						
Sales to external customers	1,159	1,034	255	2	(1)	2,449
Intersegment sales(2)	893	39	2	46	(980)	—
Operating income (loss)	296	98	24	(4)	(39)	375
Depreciation, amortization and Impairment	(48)	(6)	(4)	(12)	(1)	(71)
Capital expenditures	(60)	(2)	(3)	(8)	—	(73)

Notes:
(1) Others / Eliminations includes all remaining operations than mentioned above, together with inter-segment elimination, and/or non-operational items which are not segmented.
(2) Transactions between segments are conducted on the same basis of accounting as transactions with third parties.
(3) Due to the transfer of Aperam Bioenergia, ASB Recycling and Recyco from the segment "Stainless & Electrical Steel" to the segment "Recycling & Renewables" as from January 1, 2022, information for the six months ended June 30, 2021 have been recast as shown in the table below:

(in millions of Euros)	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others / Eliminations(1)	Total
Six months ended June 30, 2021 as published						
Sales to external customers	1,161	1,034	255	—	(1)	2,449
Intersegment sales(2)	894	39	2	—	(935)	—
Operating income (loss)	292	98	24	—	(39)	375
Depreciation, amortization and Impairment	(60)	(6)	(4)	—	(1)	(71)
Capital expenditures	(68)	(2)	(3)	—	—	(73)

(in millions of Euros)	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others / Eliminations(1)	Total
Six months ended June 30, 2021, recast impacts						
Sales to external customers	(2)	—	—	2	—	—
Intersegment sales(2)	(1)	—	—	46	(45)	—
Operating income (loss)	4	—	—	(4)	—	—
Depreciation, amortization and Impairment	12	—	—	(12)	—	—
Capital expenditures	8	—	—	(8)	—	—

The reconciliation from operating income to net income is as follows:

(in millions of Euros)	Six months ended June 30,	
	2022	**2021**
Operating income	**622**	**375**
Financing costs, net	44	(2)
Income before taxes	**666**	**373**
Income tax expense	(162)	(44)
Net income	**504**	**329**

NOTE 4: INCOME TAX

The income tax expense or benefit for the period is based on an estimated annual effective rate, which requires management to make its best estimate of annual pre-tax income for the year. During the year, management regularly updates its estimates based on changes in various factors such as geographical mix of operating profit, prices, shipments, product mix, plant operating performance and cost estimates, including labour, raw materials, energy and pension and other postretirement benefits.

Income tax was an expense of €(162) million and €(44) million for the six months ended June 30, 2022 and 2021, respectively. This increase in income tax expense for the six months ended June 30, 2022 is primarily due to the higher level of profit before tax for the six months ended June 30, 2022, at €666 million compared to €373 million for the six months ended June 30, 2021. The effective tax rate for the six months ended June 30, 2022 was also higher at 24% compared to the effective tax rate of 12% for the six months ended June 30, 2021, partly explained by the lower recognition of additional deferred tax assets on tax losses carried forward in certain jurisdictions for €8 million as of June 30, 2022 compared to €32 million as of June 30, 2021.

NOTE 5: INVENTORIES

Inventories, net of provision for obsolescence, slow-moving inventories and excess of cost over net realisable value of €214 million and €107 million as of June 30, 2022 and December 31, 2021, respectively, are comprised of the following:

(in millions of Euros)	**June 30, 2022**	**December 31, 2021**
Production in process	1,053	785
Raw materials	883	772
Finished products	738	642
Manufacturing supplies, spare parts and other	162	133
Total	**2,836**	**2,332**

The amount of write-down of inventories to net realisable value was €(104) million and €(7) million during the six months ended June 30, 2022, and 2021, respectively. The Company reversed previously recorded write-downs of nil and €14 million during the six months ended June 30, 2022, and 2021 due to normal inventory consumption. These movements were recognised in cost of sales in the interim condensed statement of operations.

The amount of inventories recognised as an expense in the cost of sales in the interim condensed statement of operations (due to normal inventory consumption) was €(3,291) million and €(1,353) million during the six months ended June 30, 2022, and 2021, respectively.

NOTE 6: PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

(in millions of Euros)	**June 30, 2022**	**December 31, 2021**
Derivative financial assets	183	20
Value added tax (VAT) and other amount receivable from tax authorities	86	47
Prepaid expenses and accrued receivables	18	9
Other	14	13
Total	**301**	**89**

NOTE 7: SHORT-TERM AND LONG-TERM DEBT

Short-term debt, including the current portion of long-term debt, consisted of the following:

(in millions of Euros)	**June 30, 2022**	**December 31 2021**
Short-term bank loans and other credit facilities[1]	222	240
Current portion of long-term debt	58	18
Lease obligations	12	13
Total	**292**	**271**

Note:
(1) Including Commercial paper programme described below

Commercial paper programme

On July 10, 2018, Aperam received confirmation from Banque de France, as foreseen by art. D.213-2 of "*Code monétaire et financier*" of the French law, that the conditions as described in the financial documentation of its programme of NEU commercial paper for a maximum outstanding amount of €200 million, fulfill the requirements of law. On June 30, 2022, an amount of €144 million was drawn under the Aperam NEU CP programme.

Unsecured revolving credit facility

On February 11, 2022, Aperam announced having entered into a 5+1+1 years sustainably linked senior unsecured revolving credit facility ("The Facility") of €500 million with a syndicate of 16 banks. Such Facility replaced the senior unsecured revolving credit facility of €300 million signed in June 2017. In addition, Aperam announced having entered into a 6 years sustainably linked amortizing fixed rate term facility of €300 million with a syndicate of 10 banks ("The Loan"). The Facility is for general corporate purposes and the Loan is dedicated to the refinancing of maturing debts of ELG. The pricing of financing contracts is linked to two strategic commitments of the company being firstly to become a best-in-class stainless steel manufacturer in terms of Health & Safety by constantly outperforming its industrial average in terms of Health & Safety metrics and to maintain its leadership in low carbon steel-making by setting an ambitious decarbonisation trajectory.

The Facility and the Loan contain a financial covenant being a maximum consolidated total debt of 90% of consolidated tangible net worth. On June 30, 2022, this financial covenant was fully met.

The Facility was fully undrawn and the Loan was fully drawn.

Long-term debt is comprised of the following:

(in millions of Euros)	Year of maturity	Type of Interest	Interest rate[1]	June 30, 2022	December 31, 2021
Schuldscheindarlehen	2023-2026	Fixed/Floating	1.10% - 1.50%	190	190
Term loan	2028	Fixed/Floating	1.52%	300	—
EIB loan 1	2028	Fixed	1.669%	38	38
EIB loan 2	2029	Fixed	1.307%	88	100
EIB loan 3	2031	Fixed	0.88%	75	75
Other debt	2035	n/a	n/a	6	6
ELG debt					
Bank loans	2022	Fixed/Floating	1.40% - 1.63%	40	241
Total				**737**	**650**
Lease obligations				97	100
Less current portion of long-term debt				(58)	(18)
Less current portion of lease obligations				(12)	(13)
Total long-term debt, net of current portion				**764**	**719**

Note:
(1) Interest rates applicable to balances outstanding as of June 30, 2022.

EIB loans

On June 27, 2016, Aperam and the European Investment Bank ("EIB") announced the signing of a financing contract in the amount of €50 million which will be dedicated to financing a research and development programme over the 2016-2019 period, as well as an upgrade of two plants located in cohesion regions in France & Belgium (Isbergues - Hauts-de-France and Châtelet - Hainaut). This project was funded under the Investment Plan for Europe, also known as the "Juncker Plan". The financing contract which is senior unsecured was entirely drawn down on October 16, 2018, at a rate of 1.669% repayable in several tranches with final maturity date on October 16, 2028.

On February 25, 2019, the Company announced the signature of a financing contract where the EIB will make available to Aperam an amount of €100 million. The purpose of this contract is the financing of ongoing investments in the cold rolling, and annealing & pickling line at Aperam's Genk plant (Belgium) as well as the Company's ongoing modernisation programmes in the cohesion regions of Nord-Pas-de-Calais (France) - Isbergues plant, and Hainaut (Belgium) - Châtelet plant. The financing contract, which is senior unsecured, was entirely drawn down on March 15, 2019, at a rate of 1.307%, repayable in several tranches with a final maturity date of March 15, 2029.

On September 30, 2020, Aperam strengthened its liquidity profile with the signature of a top-up financing contract where the EIB will make available to Aperam an amount of €75 million, in addition to the outstanding loan of €100 million, in relation to the financing of advanced stainless steel manufacturing technologies. This top up facility of €75 million was fully drawn on October 8, 2021, at a rate of 0.88%, with a final maturity date of October 25, 2031.

Schuldscheindarlehen

On September 24, 2019, Aperam successfully priced an inaugural €190 million multi-tranches Schuldscheindarlehen (debt instrument governed by the laws of the Federal Republic of Germany) with maturities at 4, 5, 6 and 7 years. On the back of a very positive investor perception and significantly oversubscribed orderbook, Aperam was able to upsize the deal volume from the initially announced volume of €100 million to ultimately €190 million. The Company was able to price all tranches at the tight end of the announced spread ranges. Aperam took advantage of the very constructive market to secure attractive conditions and successfully diversify its creditors base.

NOTE 8: EQUITY

Authorised shares

On December 11, 2020, and in accordance with the resolution of the Extraordinary General Meeting held on May 5, 2020, the Company further decreased its authorised share capital by €19,388,000, equivalent to 3,700,000 shares. This adjustment translates the 3,700,000 shares cancelled under the 2019 share buy back program. Following this decrease, the total authorised share capital (including its issued share capital) was €461,480,153 represented by 88,100,042 shares without nominal value.

Share capital

On September 29, 2020, following the decision of the Extraordinary General Meeting of May 7, 2019, to cancel issued shares acquired under the share buyback programme announced on February 6, 2019, the Company cancelled 3,700,000 issued shares acquired under the Programme. The share capital decreased from €438,418,922 to €419,030,922. The aggregate number of shares issued and fully paid up decreased to 79,996,280.

On June 30, 2022, the Company has 79,996,280 shares issued and 75,683,689 shares outstanding, with no par value, for a total amount of €419 million.

Treasury shares

Share buy back

Between February 18, 2022 and April 12, 2022, the Company acquired 2,311,849 of its own shares under the share buyback programme announced on February 11, 2022, for a total consideration of €100 million.

Share unit plans

In June 2022, a total of 90,545 shares were allocated to qualifying employees under the PSU plan granted in June 2019.

Aperam held 4,312,591 and 2,091,287 treasury shares as of June 30, 2022, and December 31, 2021, respectively.

Dividends

On June 8, 2021, the shareholders approved, at the 2021 Annual General Meeting of shareholders, a base dividend per share of €1.75 (gross). The dividend is paid in four equal quarterly instalments of €0.4375 (gross) per share.

On May 4, 2022, the shareholders approved, at the 2022 Annual General Meeting of shareholders, a base dividend per share of €2.00 (gross). The dividend is paid in four equal quarterly instalments of €0.5 (gross) per share.

NOTE 9: FINANCIAL INSTRUMENTS

Fair values versus carrying amounts

The estimated fair values of certain financial instruments have been determined using available market information or other valuation methodologies that require considerable judgment in interpreting market data and developing estimates. The following table summarises assets and liabilities based on their categories as of June 30, 2022.

					Assets/Liabilities at fair value		
(in millions of Euros)	Carrying amount in statement of financial position	Non-financial assets and liabilities	Assets at amortised cost	Liabilities at amortised cost	Fair value recognised in profit and loss	Equity instruments at Fair Value through OCI	Derivatives
ASSETS							
Current assets:							
Cash and cash equivalents	485	—	485	—	—	—	—
Trade accounts receivable	803	—	803	—	—	—	—
Inventories	2,836	2,836	—	—	—	—	—
Prepaid expenses and other current assets	301	86	32	—	—	—	183
Income tax receivable	6	6	—	—	—	—	—
Total current assets	**4,431**	**2,928**	**1,320**	**—**	**—**	**—**	**183**
Non-current assets:							
Goodwill and intangible assets	454	454	—	—	—	—	—
Biological assets	30	—	—	—	30	—	—
Property, plant and equipment	1,750	1,750	—	—	—	—	—
Other investments	3	2	—	—	—	1	—
Deferred tax assets	102	102	—	—	—	—	—
Other assets	112	58	54	—	—	—	—
Total non-current assets	**2,451**	**2,366**	**54**	**—**	**30**	**1**	**—**
Total assets	**6,882**	**5,294**	**1,374**	**—**	**30**	**1**	**183**
LIABILITIES AND EQUITY							
Current liabilities:							
Short-term debt and current portion of long-term debt	292	—	—	292	—	—	—
Trade accounts payable	1,539	—	—	1,539	—	—	—
Short-term provisions	20	20	—	—	—	—	—
Accrued expenses and other liabilities	463	93	—	317	—	—	53
Income tax liabilities	85	85	—	—	—	—	—
Total current liabilities	**2,399**	**198**	**—**	**2,148**	**—**	**—**	**53**
Non-current liabilities:							
Long-term debt, net of current portion	764	—	—	764	—	—	—
Deferred tax liabilities	149	149	—	—	—	—	—
Deferred employee benefits	148	148	—	—	—	—	—
Long-term provisions	65	65	—	—	—	—	—
Other long-term obligations	11	2	—	9	—	—	—
Total non-current liabilities	**1,137**	**364**	**—**	**773**	**—**	**—**	**—**
Equity:							
Equity attributable to the equity holders of the parent	3,339	3,339	—	—	—	—	—
Non-controlling interests	7	7	—	—	—	—	—
Total equity	**3,346**	**3,346**	**—**	**—**	**—**	**—**	**—**
Total liabilities and equity	**6,882**	**3,908**	**—**	**2,921**	**—**	**—**	**53**

The following tables summarise the bases used to measure certain assets and liabilities at their fair value:

(in millions of Euros)	As of June 30, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets at fair value:				
Biological assets	—	—	30	30
Equity instruments at Fair Value through OCI	—	—	1	1
Derivative financial current assets	—	183	—	183
Total assets at fair value	**—**	**183**	**31**	**214**
Liabilities at fair value:				
Derivative financial current liabilities	—	53	—	53
Total liabilities at fair value	**—**	**53**	**—**	**53**

Equity instruments classified as Level 1 refer to listed securities quoted in active markets. The total fair value is either the price of the most recent trade at the time of the market close or the official close price as defined by the exchange on which the asset is most actively traded on the last trading day of the period, multiplied by the number of units held without consideration of transaction costs. Equity instruments classified as Level 3 refer to securities not quoted in active markets. The fair value is thus based on the latest available financial statements (value of net equity).

Derivative financial assets and liabilities classified as Level 2 refer to instruments to hedge fluctuations in foreign exchange rates and commodity prices (base metals). The total fair value is based on the price a dealer would pay or receive for the security or similar securities, adjusted for any terms specific to that asset or liability.

Market inputs are obtained from well-established and recognised vendors of market data (Bloomberg and Reuters) and the fair value is calculated using standard industry models based on significant observable market inputs such as foreign exchange rates, commodity prices, swap rates, and interest rates.

In order to determine the fair value of biological assets, a discounted cash flow model was used, with the harvest cycle of six to seven years. Fair value measurement of biological assets is categorised within level 3 of fair value hierarchy.

The fair value of our investments which are not valued daily in financial markets is based on the latest available financial statements (value of net equity, Level 3 fair value measurement).

Aperam’s valuation policies for derivatives are an integral part of its internal control procedures and have been reviewed and approved according to the Company’s principles for establishing such procedures. In particular, such procedures address the accuracy and reliability of input data, the accuracy of the valuation model and the knowledge of the staff performing the valuations.

(in millions of Euros)	**Biological assets**
Balance at December 31, 2021	**31**
Additions	3
Change in fair value[(1)]	2
Harvested trees	(12)
Foreign exchange differences	6
At June 30, 2022	**30**

Note:
(1) Recognised in cost of sales in the interim condensed consolidated statements of operations.

Portfolio of Derivatives

The Company enters into derivative financial instruments to manage its exposure to fluctuations in exchange rates and the price of raw materials arising from operating, financing and investment activities.

The Company's portfolio of derivatives consists of transactions with Aperam Treasury S.C.A., which in turn enters into offsetting positions with counterparties external to Aperam. Aperam manages the counterparty risk associated with its instruments by centralising its commitments and by applying procedures which specify, for each type of transaction exposure, limits based on the risk characteristics of the counterparty.

The portfolio associated with derivative financial instruments classified as Level 2 as of June 30, 2022, is as follows:

		Assets		**Liabilities**
(in millions of Euros)	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**
Foreign exchange rate instruments				
Forward purchase contracts	688	18	587	(1)
Forward sale contracts	817	4	1,287	(26)
Total foreign exchange rate instruments		**22**		**(27)**
Raw materials (base metal)				
Term contracts sales metals	939	156	6	(1)
Term contracts purchases metals	35	5	187	(25)
Total raw materials (base metal)		**161**		**(26)**
Total		**183**		**(53)**

NOTE 10: COMMITMENTS

The Company's commitments consist of two main categories:

- various purchase and capital expenditure commitments,
- pledges, guarantees and other collateral instruments given to secure financial debt and credit lines.

Commitments given

(in millions of Euros)	**June 30, 2022**	**December 31, 2021 (1)**
Purchase commitments	1,655	1,963
Guarantees, pledges and other collateral	290	325
Total	**1,945**	**2,288**

Note:
(1) Guarantees, pledges and other collateral as of December 31, 2021 have been increased by €117 million at the level of ELG entities for the sake of comparability with June 30, 2022 balance.

NOTE 11: CONTINGENCIES

The Company is defendants in pending litigations, arbitrations or other legal proceedings. Most of these claims involve highly complex issues, actual damages and other matters. Often these issues are subject to substantial uncertainties and, therefore, the probability of success or loss and an estimation of damages are difficult to ascertain. Consequently, for a large number of these claims, the Company is unable to make a reasonable estimate of the expected financial effect that will result from ultimate resolution of the proceeding. In those cases, the Company has disclosed information with respect to the nature of the contingency. The Company has not accrued a reserve for the potential outcome of these cases.

In the cases in which quantifiable fines and penalties have been assessed, the Company has indicated the amount of such fine or penalty or the amount of provision accrued which is an estimate of the probable loss.

In a limited number of ongoing cases, the Company is able to make a reasonable estimate of the expected loss or range of possible loss and has accrued a provision for such loss, but management believes that publication of this information on a case-by-case basis would seriously prejudice the Company’s position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, the Company has disclosed information with respect to the nature of the contingency, but has not disclosed its estimate of the range of potential loss.

These assessments can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions. The Company’s assessments are based on estimates and assumptions that have been deemed reasonable by management. Management believes that the aggregate provisions recorded for these matters are adequate based upon currently available information. However, given the inherent uncertainties related to these cases and in estimating contingent liabilities, the Company could, in the future, incur judgments that have a material adverse effect on its results of operations in any particular period.

In addition, in the normal course of business, the Company and its operating subsidiaries may be subject to audit by the tax authorities in the countries in which they operate. Those audits could result in additional tax liabilities and payments, including penalties for late payment and interest.

The Company defends itself in various environmental, labour, tax and other claims, the most significant are described in Note 25 to the consolidated financial statements as of and for the year ended December 31, 2021. Changes in contingencies since December 31, 2021, are described below:

Tax Claims

On November 22, 2016, Aperam South America received a tax assessment related to IPI (tax on manufactured products) for the years 2011-2012 for its branch in Sumaré, Brazil. The total amount claimed is R$27 million (€5 million). On March 8, 2018, the Company received an unfavorable decision and decided to appeal it on April 6, 2018. On May 31, 2021 the case was judged partially in favor of the Company. This decision resulting a reduction of the claim from R$16 million (€3 million) to R$11 million (€2 million) was published on January 2022. Both parties filed an appeal to the superior administrative court.

NOTE 12: SUBSEQUENT EVENTS

There were no subsequent events after June 30, 2022, except for those already mentioned in the notes.

Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders of

Aperam, Société Anonyme ("Aperam")

We have reviewed the accompanying interim condensed consolidated financial statements of Aperam (the "Company") and its subsidiaries (the "Group"), which comprise the interim condensed consolidated statement of financial position as at 30 June 2022, and the interim condensed consolidated statement of operations, the interim condensed consolidated statement of comprehensive income/(loss), the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the interim condensed consolidated financial statements

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the interim condensed consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

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A review of interim condensed consolidated financial statements in accordance with ISRE 2410 is a limited assurance engagement. The “Réviseur d’entreprises agréé” performs procedures, primarily consisting of making inquiries of management and others within the Group, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim condensed consolidated financial statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

PricewaterhouseCoopers, Société coopérative   Luxembourg, 28 July 2022

Represented by

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