

Aperam S.A.

Third quarter 2023 results: "Trough results in a challenging macro environment"

Aperam S.A. / Key word(s): Quarter Results

Third quarter 2023 results: "Trough results in a challenging macro environment"

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Third quarter 2023 results¹

"Trough results in a challenging macro environment"

Luxembourg, November 10, 2023 (07:00 CET) – Aperam (referred to as "Aperam" or the "Company") (Amsterdam, Luxembourg, Paris, Brussels: APAM, NYRS: APEMY), announced today results for the three months ended September 30, 2023.

Highlights

- Health and Safety: LTI frequency rate of 1.4x in Q3 2023 compared to 2.8x in Q2 2023
- Shipments of 516 thousand tonnes in Q3 2023, a 6% decrease compared to shipments of 550 thousand tonnes in Q2 2023
- EBITDA of EUR 19 million in Q3 2023, compared to EBITDA of EUR 103 million in Q2 2023
- Net loss of EUR (42) million in Q3 2023, compared to net income of EUR 43 million in Q2 2023
- Basic earnings per share of EUR (0.59) in Q3 2023, compared to EUR 0.60 in Q2 2023
- Free cash flow before dividend and share buy-back was negative at EUR (135) million in Q3 2023, compared to EUR 1 million in Q2 2023
- Net financial debt of EUR 646 million as of September 30, 2023, compared to EUR 461 million as of June 30, 2023

Strategic initiatives

- **Leadership Journey®² Phase 4:** Gains reached EUR 28 million in Q3 2023 and a cumulative EUR 178 million versus target gains of EUR 150 million over the period 2021 to 2023.

Prospects⁽¹⁾

- Q4 2023 EBITDA is expected to increase versus Q3 2023
- We guide for lower Q4 2023 net financial debt

Timoteo Di Maulo, CEO of Aperam, commented:

"Q3 results are a clear indicator of the environment we operate in. Europe remains in the grip of an extremely challenging market environment characterized by both historically low prices and volumes. Additional company-specific effects resulted from the footprint upgrade. Production disruptions and an unusually high inventory valuation charge caused Aperam's lowest

ever quarterly EBITDA. We realized the Leadership Journey® Phase 4 targets early and, to restore the resilience and flexibility in our business model, we add a structural cost reduction plan of EUR 50 million to Phase 5 in addition to the normal EUR 50 million annual run rate. We thereby lay the basis for a better 2024 irrespective of what shape the recovery might take."

Financial Highlights (on the basis of financial information prepared under IFRS)

(in millions of Euros, unless otherwise stated)	Q3 23	Q2 23	Q3 22	9M 23	9M 22
Sales	1,463	1,702	1,818	5,041	6,540
Operating income / (loss)	(36)	54	187	99	809
Net income / (loss) attributable to equity holders of the parent	(42)	43	121	133	625
Basic earnings per share (EUR)	(0.59)	0.60	1.66	1.84	8.23
Diluted earnings per share (EUR)	(0.58)	0.59	1.64	1.83	8.19
Free cash flow before dividend and share buy-back	(135)	1	209	(49)	276
Net Financial Debt (at the end of the period)	646	461	482	646	482
Adj. EBITDA	19	103	235	249	1,000
Exceptional items	—	—	—	—	(53)
EBITDA	19	103	235	249	947
Adj. EBITDA/tonne (EUR)	37	187	463	150	551
EBITDA/tonne (EUR)	37	187	463	150	521
Shipments (000t)	516	550	508	1,657	1,816

Health & Safety results

Health and Safety performance based on Aperam personnel figures and contractors' lost time injury frequency rate was 1.4x in the third quarter of 2023 compared to 2.8x in the second quarter of 2023.

Financial results analysis for the three-month period ending September 30, 2023

Sales for the third quarter of 2023 decreased by 14% at EUR 1,463 million compared to EUR 1,702 million for the second quarter of 2023. Shipments decreased from 550 thousand tonnes in the second quarter of 2023 to 516 thousand tonnes in the third quarter of 2023, due to a persistent low demand in Europe.

EBITDA decreased during the quarter to EUR 19 million from EUR 103 million predominantly due to a price / cost squeeze, significant inventory valuation charges and lower volumes.

Depreciation and amortization expense was EUR (55) million for the third quarter of 2023.

Aperam had an operating loss for the third quarter of 2023 of EUR (36) million compared to an operating income of EUR 54 million for the previous quarter.

Financing costs, net, including the FX and derivatives result for the third quarter of 2023 were EUR (19) million. Cash cost of financing was EUR (7) million during the quarter.

Income tax benefit was EUR 13 million during the third quarter of 2023.

The net result recorded by the Company was a loss of EUR (42) million for the third quarter of 2023, compared to a profit of EUR 43 million for the second quarter of 2023.

Cash flows consumed by operations for the third quarter of 2023 were at EUR (48) million, including a working capital increase of EUR 21 million. CAPEX for the third quarter was EUR (55) million.

Free cash flow before dividend and share buyback for the third quarter of 2023 was negative and amounted to EUR (135) million, compared to EUR 1 million for the second quarter of 2023.

During the third quarter of 2023, cash returns to shareholders amounted to EUR 37 million (including EUR 1 million to non-controlling interests), consisting fully of dividend.

Operating segment results analysis

Stainless & Electrical Steel ⁽¹⁾

(in millions of Euros, unless otherwise stated)	Q3 23	Q2 23	Q3 22	9M 23	9M 22
Sales	931	1,050	1,186	3,214	4,352
EBITDA	(6)	52	153	126	753
Depreciation & amortization	(27)	(26)	(25)	(78)	(75)
Operating income / (loss)	(33)	26	128	48	678
Steel shipments (000t)	371	373	352	1,143	1,229
Average steel selling price (EUR/t)	2,414	2,713	3,271	2,710	3,455

⁽¹⁾ Amounts are shown prior to intra-group eliminations

The Stainless & Electrical Steel segment had sales of EUR 931 million for the third quarter of 2023. This represents a 11.3% decrease compared to sales of EUR 1,050 million for the second quarter of 2023. Steel shipments during the third quarter were 371 thousand tonnes, a marginal decrease of 0.5% compared to shipments of 373 thousand tonnes during the previous quarter. Shipments in Brazil increased slightly seasonally but production disruptions as explained in the recent developments section impacted shipments in Europe. Average steel selling prices for the Stainless & Electrical Steel segment decreased by 11.0% compared to the previous quarter.

The segment generated a negative EBITDA of EUR (6) million for the third quarter of 2023 compared to EUR 52 million for the second quarter of 2023. EBITDA decreased as a price / cost squeeze, higher inventory valuation charges and lower volumes more than compensated cost improvements through the Leadership Journey®.

Depreciation and amortization expense was EUR (27) million for the third quarter of 2023.

The Stainless & Electrical Steel segment had an operating loss of EUR (33) million for the third quarter of 2023 compared to an operating income of EUR 26 million for the second quarter of 2023.

Services & Solutions ⁽¹⁾

(in millions of Euros, unless otherwise stated)	Q3 23	Q2 23	Q3 22	9M 23	9M 22
Sales	510	539	584	1,720	2,261
EBITDA	1	(7)	(21)	7	97
Depreciation & amortization	(3)	(4)	(4)	(10)	(10)
Operating income / (loss)	(2)	(11)	(25)	(3)	87
Steel shipments (000t)	157	150	138	487	509
Average steel selling price (EUR/t)	3,125	3,467	4,113	3,407	4,282

⁽¹⁾ Amounts are shown prior to intra-group eliminations

The Services & Solutions segment had sales of EUR 510 million for the third quarter of 2023, representing a decrease of 5.4% compared to sales of EUR 539 million for the second quarter of 2023. For the third quarter of 2023, steel shipments were 157 thousand tonnes compared to 150 thousand tonnes during the previous quarter. Average steel selling prices for the Services & Solutions' segment were 9.9% lower during the third quarter of 2023 compared to the second quarter of 2023.

The EBITDA of the segment was EUR 1 million for the third quarter of 2023 compared to a negative EBITDA of EUR (7) million for the second quarter of 2023. EBITDA improved due to reduced price cost squeeze and slightly higher volumes. It still contains a high but comparable inventory valuation charge.

Depreciation and amortization expense was EUR (3) million for the third quarter of 2023.

The Services & Solutions segment had an operating loss of EUR (2) million for the third quarter of 2023 compared to an operating loss of EUR (11) million for the second quarter of 2023.

Alloys & Specialties⁽¹⁾

(in millions of Euros, unless otherwise stated)	Q3 23	Q2 23	Q3 22	9M 23	9M 22
Sales	177	259	171	647	481
EBITDA	2	17	5	30	41
Depreciation & amortization	(3)	(2)	(3)	(8)	(8)
Operating income / (loss)	(1)	15	2	22	33

Steel shipments (000t)	6	9	6	24	20
Average steel selling price (EUR/t)	28,684	26,654	26,165	25,725	23,119

⁽¹⁾ Amounts are shown prior to intra-group eliminations

The Alloys & Specialties segment had sales of EUR 177 million for the third quarter of 2023, representing a decrease of 31.7% compared to EUR 259 million for the second quarter of 2023. Steel shipments decreased by 36.2% during the third quarter of 2023 at 6 thousand tonnes. Average steel selling prices for the Alloys & Specialties' segment were 7.6% higher during the third quarter of 2023.

The Alloys & Specialties segment achieved EBITDA of EUR 2 million for the third quarter of 2023 compared to EUR 17 million for the second quarter of 2023. EBITDA decreased due to a significantly higher inventory valuation charge and lower volumes.

Depreciation and amortization expense for the third quarter of 2023 was EUR (3) million.

The Alloys & Specialties segment had an operating loss of EUR (1) million for the third quarter of 2023 compared to an operating income of EUR 15 million for the second quarter of 2023.

Recycling & Renewables ⁽¹⁾

(in millions of Euros, unless otherwise stated)	Q3 23	Q2 23	Q3 22	9M 23	9M 22
Sales	430	529	468	1,521	1,991
Adjusted EBITDA	17	29	31	91	84
Exceptional items	—	—	—	—	(53)
EBITDA	17	29	31	91	31
Depreciation, amortization and impairment	(21)	(16)	(16)	(52)	(44)
Operating income / (loss)	(4)	13	15	39	(13)
Shipments (000t)	310	351	278	1,036	1,036
Average selling price (EUR/t)	1,387	1,507	1,683	1,468	1,922

⁽¹⁾ Amounts are shown prior to intra-group eliminations

The Recycling & Renewables segment had sales of EUR 430 million for the third quarter of 2023, representing a decrease of 18.7% compared to EUR 529 million sales for the second quarter of 2023. Shipments decreased by 11.7% during the third quarter of 2023 to 310 thousand tonnes. Average selling prices for the Recycling & Renewables' segment were 8.0% lower during the third quarter of 2023.

EBITDA decreased during the quarter to EUR 17 million compared to EBITDA of EUR 29 million in the second quarter of 2023, mainly due to lower volumes.

Depreciation and amortization expense for the third quarter of 2023 was EUR (21) million.

The Recycling & Renewables segment had an operating loss of EUR (4) million for the third quarter of 2023 compared to an operating income of EUR 13 million for the second quarter of 2023.

Recent developments during the quarter

- On September 22, 2023, Aperam further detailed its Q3 guidance. Two unforeseen events in form of a longer than expected standstill of the Genk upstream for accommodating the construction of the new AOD as well as operational issues at the melt shop in Chatelet caused a significant loss of shipments during the quarter. As a consequence Aperam expected volumes at a comparable level versus Q2 2023 with an associated impact on earnings. Additionally we refined the guidance on higher than expected inventory valuation losses (up to triple digit) due to raw material price movements on maintenance related elevated stocks. We projected Q3 adjusted EBITDA around EUR 15-20 million.
- On September 27, 2023, Aperam launched its new sustainability brand for all its near-zero* footprint premium products, related services and solutions – Aperam infinite™ achieving a reduction of up to 85% in carbon emissions compared to the industry average.

Investor conference call / webcast

Pre-recorded management comments are available as from publication of this earnings release on our website at www.aperam.com, section Investors > Reports & Presentations > Quarterly results > Q3-2023 ([Link to Q3 2023 management podcast](#)).

Aperam management will host a conference call / webcast for members of the investment community to discuss the financial performance of the quarter under report at the following time:

Date	New York	London	Luxembourg
Friday, 10 November 2023	08:30	13:30	14:30

Link to the webcast: https://channel.royalcast.com/landingpage/aperam/20231110_1/

The dial-in numbers for the call are: France : +33 (0) 1 7037 7166; USA: +1 786 697 3501; UK: +44 (0) 33 0551 0200

The conference password is: Aperam.

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About Aperam

Aperam is a global player in stainless, electrical and specialty steel and recycling, with customers in over 40 countries. Starting from 1 January 2022, the business is organized in four primary reportable segments: Stainless & Electrical Steel, Services & Solutions, Alloys & Specialties and Recycling & Renewables.

Aperam has a flat Stainless and Electrical steel capacity of 2.5 million tonnes in Brazil and Europe and is a leader in high value specialty products. In addition to its industrial network, spread over six production facilities in Brazil, Belgium and France, Aperam has a highly integrated distribution, processing and services network and a unique capability to produce low carbon footprint stainless and special steels from biomass, stainless steel scrap and high performance alloys scrap. With Bioenergia and its unique capability to produce charcoal made from its own FSC®-certified forestry and with ELG, a global leader in collecting, trading, processing and recycling of stainless steel scrap and high performance alloys, Aperam's places sustainability at the heart of its business, helping customers worldwide to excel in the circular economy.

In 2022, Aperam had sales of EUR 8,156 million and shipments of 2.31 million tonnes.

For further information, please refer to our website at www.aperam.com.

Forward-looking statements

This document may contain forward-looking information and statements about Aperam and its subsidiaries. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements may be identified by the words "believe," "expect," "anticipate," "target" or similar expressions. Although Aperam's management believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Aperam's securities are cautioned that forward-looking information and statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond the control of Aperam, that could cause actual results and developments to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in Aperam's filings with the Luxembourg Stock Market Authority for the Financial Markets (Commission de Surveillance du Secteur Financier). Aperam undertakes no obligation to publicly update its forward-looking statements or information, whether as a result of new information, future events, or otherwise.

APERAM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in million of EURO)	September 30, 2023	June 30, 2023	September 30, 2022
ASSETS			
Cash & cash equivalents (C)	285	429	467
Inventories, trade receivables and trade payables	1,931	1,888	2,090
Prepaid expenses and other current assets	176	160	152
Total Current Assets & Working Capital	2,392	2,477	2,709
Goodwill and intangible assets	454	456	458
Property, plant and equipment (incl. Biological assets)	2,003	1,984	1,806
Investments in associates, joint ventures and other	3	3	3
Deferred tax assets	106	90	96
Other non-current assets	119	119	124
Total Assets (net of Trade Payables)	5,077	5,129	5,196
LIABILITIES AND SHAREHOLDERS' EQUITY			
Short-term debt and current portion of long-term debt (B)	340	260	269
Accrued expenses and other current liabilities	406	445	472
Total Current Liabilities (excluding Trade Payables)	746	705	741
Long-term debt, net of current portion (A)	591	630	680
Deferred employee benefits	137	136	154
Deferred tax liabilities	132	133	127
Other long-term liabilities	62	62	75
Total Liabilities (excluding Trade Payables)	1,668	1,666	1,777
Equity attributable to the equity holders of the parent	3,401	3,456	3,411
Non-controlling interest	8	7	8
Total Equity	3,409	3,463	3,419

Total Liabilities and Shareholders' Equity (excluding Trade Payables)	5,077	5,129	5,196
Net Financial Debt (D = A+B-C)	646	461	482

APERAM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

	Three Months Ended			Nine Months Ended	
(in million of EURO)	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Sales	1,463	1,702	1,818	5,041	6,540
Adjusted EBITDA (E = C-D)	19	103	235	249	1,000
<i>Adjusted EBITDA margin (%)</i>	<i>1.3%</i>	<i>6.1%</i>	<i>12.9%</i>	<i>4.9%</i>	<i>15.3%</i>
Exceptional items (D)	—	—	—	—	(53)
EBITDA (C = A-B)	19	103	235	249	947
<i>EBITDA margin (%)</i>	<i>1.3%</i>	<i>6.1%</i>	<i>12.9%</i>	<i>4.9%</i>	<i>14.5%</i>
Depreciation, amortization and impairment (B)	(55)	(49)	(48)	(150)	(138)
Operating income / (loss) (A)	(36)	54	187	99	809
<i>Operating margin (%)</i>	<i>(2.5%)</i>	<i>3.2%</i>	<i>10.3%</i>	<i>2.0%</i>	<i>12.4%</i>
Financing income / (costs), (net)	(19)	(1)	(66)	66	(22)
Income / (loss) before taxes and non-controlling interests	(55)	53	121	165	787
Income tax benefit / (expense)	13	(9)	1	(31)	(161)
<i>Effective tax rate %</i>	<i>23.7%</i>	<i>18.3%</i>	<i>(1.0)%</i>	<i>18.8%</i>	<i>20.4%</i>
Net income / (loss) including non-controlling interests	(42)	44	122	134	626
Non-controlling interests	—	(1)	(1)	(1)	(1)
Net income / (loss) attributable to equity holders of the parent	(42)	43	121	133	625
Basic earnings per share (EUR)	(0.59)	0.60	1.66	1.84	8.23
Diluted earnings per share (EUR)	(0.58)	0.58	1.64	1.83	8.19
Weighted average common shares outstanding (in thousands)	72,249	72,205	74,900	72,213	76,029
Diluted weighted average common shares outstanding (in thousands)	72,776	72,776	75,241	72,776	76,370

APERAM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in million of EURO)	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Operating income / (loss)	(36)	54	187	99	809
Depreciation, amortization and impairment	55	49	48	150	138
Change in working capital	(21)	3	36	(41)	(455)
Income tax paid	(2)	(14)	(45)	(31)	(87)
Interest paid, (net)	(4)	—	(1)	(8)	(2)
Exceptional items	—	—	—	—	53
Other operating activities (net)	(40)	(29)	42	(16)	(23)
Net cash provided by (used in) operating activities (A)	(48)	63	267	153	433
Purchase of PPE and intangible assets (CAPEX)	(55)	(58)	(56)	(157)	(148)
Purchase of biological assets and other investing activities (net)	(32)	(4)	(2)	(45)	(9)
Net cash used in investing activities (B)	(87)	(62)	(58)	(202)	(157)
Proceeds from / (Payments to) payable to banks and long term debt	38	25	(108)	3	(44)
Purchase of treasury stock (share buy back)	—	—	(86)	—	(186)
Dividends paid	(37)	(36)	(37)	(109)	(115)
Other financing activities (net)	(4)	(5)	(4)	(12)	(10)
Net cash used in financing activities	(3)	(16)	(235)	(118)	(355)
Effect of exchange rate changes on cash	(6)	2	8	(5)	22
Change in cash and cash equivalent	(144)	(13)	(18)	(172)	(57)
Free cash flow before dividend and share buy-back (C = A+B)	(135)	1	209	(49)	276

Appendix 1a – Health & Safety statistics

Three Months Ended			
Health & Safety Statistics	September 30, 2023	June 30, 2023	March 31, 2023
Frequency Rate	1.4	2.8	2.1

Lost time injury frequency rate equals lost time injuries per 1,000,000 worked hours, based on own personnel and contractors.

Appendix 1b – Key operational and financial information

Quarter Ending September 30, 2023	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others & Eliminations	Total
Operational information						
Shipment (000t)	371	157	6	310	(328)	516
Average selling price (EUR/t)	2,414	3,125	28,684	1,387		2,835
Financial information (EURm)						
Sales	931	510	177	430	(585)	1,463
EBITDA	(6)	1	2	17	5	19
Depreciation & amortization	(27)	(3)	(3)	(21)	(1)	(55)
Operating income / (loss)	(33)	(2)	(1)	(4)	4	(36)

Quarter Ending June 30, 2023	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others & Eliminations	Total
Operational						

information						
Shipment (000t)	373	150	9	351	(333)	550
Average selling price (EUR/t)	2,713	3,467	26,654	1,507		3,095
Financial information (EURm)						
Sales	1,050	539	259	529	(675)	1,702
EBITDA	52	(7)	17	29	12	103
Depreciation & amortization	(26)	(4)	(2)	(16)	(1)	(49)
Operating income / (loss)	26	(11)	15	13	11	54

Appendix 2 – Adjusted Net Income and Adjusted Basic Earnings per Share

(in million of EURO)	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net income / (loss)	(42)	44	121	134	625
Exceptional items	—	—	—	—	53
(Recognition) / derecognition of deferred tax assets on tax losses carried forward	—	—	(25)	—	(34)
Deferred tax effect on exceptional items	—	—	—	—	(12)
Adjusted Net income / (loss)	(42)	44	96	134	632
Basic earnings per share (EUR)	(0.59)	0.60	1.66	1.84	8.23
Adjusted Basic earnings per share (EUR)	(0.59)	0.60	1.31	1.84	8.31

Appendix 3 – Terms and definitions

Unless indicated otherwise, or the context otherwise requires, references in this earnings release report to the following terms have the meanings set out next to them below:

Adjusted EBITDA: operating income before depreciation and amortization expenses, impairment losses and exceptional items.

Adjusted EBITDA/tonne: calculated as Adjusted EBITDA divided by total shipments.

Adjusted Net Income: refers to reported net income less exceptional items, reversal of provisions for liabilities and charges, recognition of deferred tax assets on tax losses carried forward, reversal of current income tax on interest on PIS/Cofins in Brazil and deferred tax effect on exceptional items.

Adjusted Basic Earnings per Share: refers to Adjusted Net Income divided by Weighted average common shares outstanding.

Average selling prices: calculated as sales divided by shipments.

Average steel selling prices: calculated as steel sales divided by steel shipments.

Cash and cash equivalents: represents cash and cash equivalents, restricted cash and short-term investments.

CAPEX: relates to capital expenditures and is defined as purchase of property plant and equipment and intangible assets.

EBITDA: operating income before depreciation and amortization expenses and impairment losses.

EBITDA/tonne: calculated as EBITDA divided by total shipments.

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 EUR 10 million for the considered quarter, (iii) capital (loss)/gain on asset disposals equal to or exceeding EUR 10 million for the considered quarter or (iv) other non-recurring items equal to or exceeding EUR 10 million for the considered quarter.

Financing costs, (net): Net interest expense, other net financing costs and foreign exchange and derivative results.

Free cash flow before dividend and share buy-back: net cash provided by operating activities less net cash used in investing activities.

Gross financial debt: long-term debt plus short-term debt.

Liquidity: Cash and cash equivalent and undrawn credit lines.

LTI frequency rate: Lost time injury frequency rate equals lost time injuries per 1,000,000 worked hours, based on own personnel and contractors.

Net financial debt: long-term debt, plus short-term debt less cash and cash equivalents.

Net financial debt/EBITDA or Gearing: Refers to Net financial debt divided by last twelve months EBITDA calculation.

Shipments: information at segment and group level eliminates inter-segment shipments (which are primarily between (i) Recycling & Renewables and Stainless & Electrical Steel (ii) Stainless & Electrical Steel and Services & Solutions) and intra-segment shipments, respectively.

Working capital: trade accounts receivable plus inventories less trade accounts payable.

¹ The financial information in this press release and Appendix 1 has been prepared in accordance with the measurement and recognition criteria of International Financial Reporting Standards ("IFRS") as adopted in the European Union. While the interim financial information included in this announcement has been prepared in accordance with IFRS applicable to interim periods, this announcement does not contain sufficient information to constitute an interim financial report as defined in International Accounting Standard 34, "Interim Financial Reporting". Unless otherwise noted the numbers and information in the press release have not been audited. The financial information and certain other information presented in a number of tables in this press release have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this press release reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

² The Leadership Journey® is an initiative launched on December 16, 2010, and subsequently accelerated and increased, to target management gains and profit enhancement. The fourth phase of the Leadership Journey® is targeting EUR 150 million gains for the period 2021 – 2023 via a combination of cost, growth and mix improvement measures. Some additional investments, as announced in 2021 as part of the Strategy 2025 program, have been accelerated to achieve earnings growth already in 2022 contributing to the ongoing Leadership Journey Phase 4. We realized the Leadership Journey® Phase 4 targets early and to restore the resilience and flexibility in our business model we add a structural cost reduction plan of EUR 50 million to Phase 5 in addition to the normal EUR 50 million annual run rate. To the extent that this plan would affect employment we will consult with our social partners on the social impact.

³ This press release also includes Alternative Performance Measures ("APM" hereafter). The Company 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. 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. The APM's used are defined under Appendix 3 "Terms & definitions".

[1] The outlook for the quarter depends on the future development of metal and product prices. Both are assumed as constant at their current level.

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The issuer is solely responsible for the content of this announcement.