



## Circular Economy in Action

Interim Financial Report

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Half-year ending June 30, 2024

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**Disclaimer - Forward Looking Statements** In this Annual Report Aperam has made certain forward-looking statements with respect to, among other topics, its financial position, business strategy, projected costs, projected savings, and the plans and objectives of its management. Such statements are identified by the use of forward-looking verbs such as 'anticipate', 'intend', 'expect', 'plan', 'believe', or 'estimate', or words or phrases with similar meanings. Aperam's actual results may differ materially from those implied by such forward-looking statements due to the known and unknown principal risks and uncertainties to which it is exposed, including, without limitation, the risks described in this Annual Report. Aperam does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved. Please refer to the 'Principal risks and uncertainties related to Aperam and the stainless and specialty steel industry' section of this report. Such forward-looking statements represent, in each case, only one of many possible scenarios and should not necessarily be viewed as the most likely to occur or standard scenario. Aperam undertakes no obligation to publicly update its forward-looking statements, whether as a result of new information, future events or otherwise. Unless indicated otherwise or the context otherwise requires, references in this Half Year Report to 'Aperam', the 'Group' and the 'Company' or similar terms refer to Aperam, 'société anonyme', having its registered office at 24-26, Boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg, and to its consolidated subsidiaries.

# Message from the Chief Executive Officer

Dear Shareholders,

I am honoured to present to you the half-year report for 2024, reflecting our performance and the milestones we have achieved during the first six months of the year.

Our top priority remains the health and safety of our employees. In the first semester of 2024, our lost time injury (LTI) frequency rate decreased to 1.7x compared to 2.7x in the first half of last year. While this indicator is positive, we must continuously enhance our safety measures. We have implemented robust action plans to address risks, in line with our pillars of Health & Safety and work towards our ultimate goal of becoming an accident-free workplace.

After the past two difficult years in terms of market environment, we are only now beginning to see the first signs of improvement, especially in Europe where market conditions are stabilising. This semester is therefore one of contrast, with a better second quarter performance. In the first semester of 2024, we recorded an EBITDA of EUR 133 million and a net income of EUR 41 million. Basic earnings per share amounted to EUR 0.56 and our net financial debt stood at EUR 607 million as of June 30, 2024. These improvements are also a testament to the dedication and hard work of our employees, for which I extend my gratitude.

Our operational performance continues to show resilience despite sectoral challenges. With our Alloys & Specialties segment on track for growth, Service & Solutions and BioEnergia continuing to deliver, our differentiated value chain has been crucial in supporting and delivering EBITDA amidst difficulties in the stainless steel operations in Europe and Brazil. Looking ahead to the second half of 2024, we anticipate constrained global economic growth but with a more positive outlook for industrial production. Supported by our Leadership Journey® Phase 5, we will leverage the significant investments in our footprint from the past three years.

Our commitment to sustainability remains steadfast globally. Our teams have just successfully passed this year's surveillance auditing process of the ResponsibleSteel™, solidifying our certification standing. This semester, BioEnergia has launched a significant partnership by planning to sell 15,000 metric tons of biochar carbon removal p.a., marking a notable advancement in our diversification & sustainability journey through the reclaiming of our by-products.

In conclusion, while the rest of the year may present a slightly better outlook, it is tempered with cautious optimism. The improvement we see is largely due to the sustained efforts of our workforce, and I want to express my sincere appreciation for their dedication toward Aperam. We remain focused on our strategic goals and are committed to navigating the challenges ahead with resilience and innovation.

Thank you for your continued support.



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<sup>1</sup> before depreciation, amortisation and impairment expenses and exceptional items
- **"EBITDA"** is defined as operating income<sup>1</sup> before depreciation<sup>1</sup>, amortisation<sup>1</sup> and impairment expenses<sup>1</sup>
- **"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<sup>1</sup> less net cash used in investing activities<sup>1</sup>
- **"gearing"** is defined as net financial debt divided by equity<sup>1</sup>
- **"net financial debt"** or **"NFD"** refers to long-term debt<sup>1</sup> plus short-term debt<sup>1</sup>, less cash and cash equivalents<sup>1</sup> (including short-term investments)<sup>1</sup>
- **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
- **"austenitic stainless steel"** is a steel alloy containing at least 16% chromium, where other alloying elements -usually nickel, alternatively manganese or nitrogen- are added to obtain an austenitic crystalline structure
- **"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
- **"GHG"** is defined as Greenhouse Gas emissions
- **"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\$5.9547 as of June 30, 2024
- **"sales"** include shipping and handling fees and costs billed to a customer in a sales transaction
- **"scope 1 and 2"** refers to various types of emissions. Actually, for carbon footprint calculations, three types of emissions are differentiated:

<sup>1</sup> Those measures are derived directly from the financial statements (see Notes to the Interim Condensed Consolidated Financial Statements).

- Scope 1 emissions are direct emissions produced by the burning of fuels of the emitter;
- Scope 2 emissions are indirect emissions generated by the electricity consumed and purchased by the emitter;
- Scope 3 covers indirect emissions generated by the emitter activity but owned, controlled and reported by a different emitter from the one who reports on the emissions.
- “**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”)
- “**slabs**” refers to compact blocks of crude steel (usually a product of the casting process in steel mills), which are used as a pre-product in hot rolling mills to produce hot rolled coils or strips
- “**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
- “**stainless steel scrap**” refers to recycled stainless steel materials that are re-melted and cast into new steel
- “**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.\$1.0705 as of June 30, 2024
- “**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 S.A., including its subsidiaries (hereinafter referred to as either 'Aperam', 'the Company', 'we' 'our', or 'the Group'), is a leading global stainless and specialty steel producer. We also have the distinction of being the stainless steel producer with the world's lowest CO<sub>2</sub> footprint. This is due to the fact that our European production process is based on endlessly recyclable stainless steel scrap, while our Brazil production uses charcoal from its own sustainably cultivated forests.

On 27 December 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 under the operating segment 'Recycling and Renewables'.

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 30, 2024, we have a workforce of about 11,600 employees. Our distribution network consists of 14 Steel Service Centres (SSCs), four transformation facilities and 15 sales offices.

We are also the world's largest producer of bio-charcoal, made from our own sustainable forests, and are one of the world's leading suppliers of stainless and specialty alloy scrap, with 50 recycling operations located around the globe. Our products are sold to customers across the world operating in the aerospace, automotive, catering, construction, household appliances, electrical engineering, industrial processes, medical, and oil & gas industries - amongst others.

Aperam posted €6.6 billion in sales, EBITDA of €293 million and shipments amounting to 2.20 million tonnes for the year ending 31 December 2023.

For the six months ended June 30, 2024, Aperam had €3.3 billion in sales and shipments of 1.17 million tonnes, compared to the respective €3.6 billion and 1.14 million tonnes posted for the six months ended June 30, 2023.

### 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.

To contact Aperam by email, please write to [stainless@aperam.com](mailto:stainless@aperam.com). Please include your full name, postal address and telephone number.

## Our history

On 7 December 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 as an independent company. The objective 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.

At an extraordinary general meeting held 25 January 2011, ArcelorMittal shareholders voted to approve the spin-off proposal. The main shareholder ('Significant Shareholder', as defined in the Capital section of this Management Report) holds 40.85% of the voting rights.

On 27 December 2021, Aperam announced the completion of the acquisition of ELG, a global leader in collecting, trading, processing and recycling 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, 2023, which can be found in Aperam's 2023 Annual Report, along with the unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2024, which are included in this report.

## Market environment

Our operational results are mainly influenced by external factors that affect the stainless and specialty steel industry as a whole, such as pricing for stainless and electrical steel, demand for stainless and specialty steels, production capacity, raw material trends, energy prices, and exchange rate fluctuations. Additionally, our operational results are impacted by specific factors unique to Aperam, including several initiatives we have implemented in response to the challenging economic climate. These factors are detailed further below.

For 2024, economic sentiment is beginning to improve in Europe, although the manufacturing sector is still struggling. The US has a more cautious growth pathway for 2024, compared to 2023. China's economy has shown some slight recovery for the first half of the year, promoting industry as a driver of economic growth, however subdued consumer goods prices and persistent consumer caution have added to concern.

In Brazil, industrial production is forecasted to outpace economic growth in 2024, falling interest rates and the relative strength of the labour market are the clearest upside risks that could support consumer spending and reverse the fall in investment; the export growth seen last year could adjust downward this year as global demand weakens, especially for critical trade partners.

## 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:

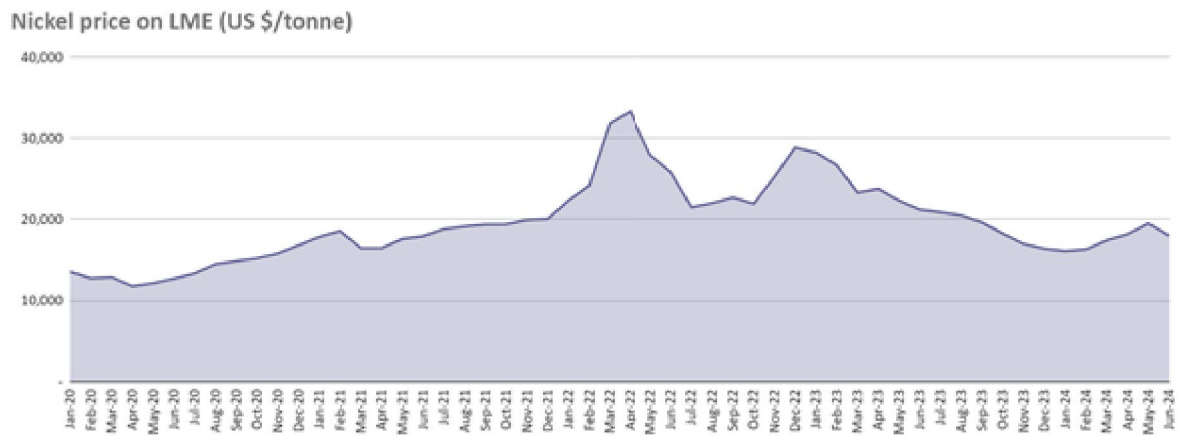
- > the "base price", which is negotiated with customers and depends on market supply and demand; and
- > the "alloy surcharge", which is a supplementary charge to the selling price of steel that offsets the purchase price increases in raw materials, such as nickel, chromium or molybdenum, by directly 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.

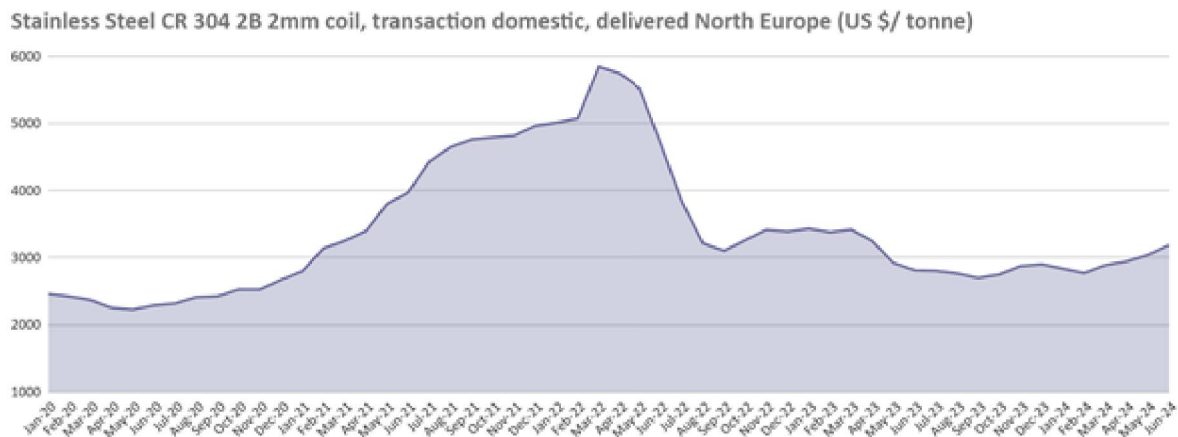


The graphs below show the price of nickel on the LME and the European transaction price for CR304 stainless steel for the period running from January 1, 2020 to June 15, 2024:

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



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



Source: Nickel prices have been derived from the LME. Stainless steel/CR304 2B 2mm coil transaction price/Northern European domestic delivered prices have been derived from Fastmarkets.

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

## Electrical steel pricing

As China’s current production capacity of Grain Oriented Steel (GO) and Non-Grain Oriented Steel (NGO) corresponding to, respectively, 56% and 72% of the total global output, the performance of the Chinese economy continues to directly affect the electrical steel pricing dynamics worldwide.

That said, despite the better-than-expected performance of the Chinese economy during the first months of 2024, that wasn't enough to diminish the country's appetite for electrical steel exports in the first half of 2024. In this context, NGO prices remained flat in the first half of 2024 when compared to the second half of 2023. As for the GO prices, it was observed a significant decrease close to -25% over the same period, mainly due to the fierce price competition between traditional mills and relatively new private Chinese GO producers expanding their offers outside China as well as the still ongoing supply/demand market accommodation after the price boom occurred by 2022.

## 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 2024, the world economy will constrain its economic growth, but with a more positive view for the industrial production rate, which experienced a tough year in 2023. However, growth will vary depending on the region; Western economies expected to have a gradual recovery, as the lagged impact of aggressive interest rate rises has kept underlying growth in steel using sectors weak in the first half of 2024. China domestic consumption remains subdued as a consequence of the ailing housing sector and weak job market. Government implemented efforts to stabilise the situation through infrastructure spending and bond issuance. China is increasing efforts to diversify its export markets, particularly with declining demand from the US and EU, reflecting supply chain restructuring and trans-shipment activities.

For the European Union, the economic activity recovered in the first half of 2024, partly driven by temporary factors. Real GDP is expected to strengthen further during 2024, supported by increasing household incomes which will push private consumption further, foreign demand will reinforce the export market and real wage growth will support households' purchasing power through the year. Business investment is expected to stagnate for 2024.

For Brazil, the central bank has been reducing interest rates, which should support recovery, at the same time the labour market remains tight which would allow stronger wage growth to boost consumer spending. However the dragging of the agricultural sector is expected to have a negative impact. Despite the recent approve tax reform in Brazil, the fiscal fragility is one of the main challenges.

After the sharp ups and downs of stainless steel demand during Covid period, market is showing less volatility with a growth of ~3% per year since 2022. H2 2024 is not expected to show a significant acceleration of consumption growth due to uncertainty about China recovery and high interest rates for a longer period in Europe and the USA.

With respect to electrical steel, Brazil's demand for GO steel is still strong, driven mainly by a large number of transformer exports, particularly to the USA market. Brazilian GO consumption increased by approximately +10% in the first half of 2024 compared to the second half of 2023. Meanwhile, the demand of NGO steel didn't show the same strength keeping the consumption levels stable over the same period, impacted by continuous weak performance of several Brazil's industry sectors.

In contrast to the stainless steel market, nickel alloys have confirmed expected resilience against downwards tendencies for H1 2024. Markets such as aircraft/aerospace, power generation, chemical process industry and oil/gas exhibited strong growth rates in the first part of the year 2024. Aerospace is expected to be a strong driver during the year. The industry should continue to increase its nickel alloy demand in 2024. For Oil/Gas, the relevant market players (Schlumberger, Baker Hughes, Halliburton) are optimistic that the oil/gas market will continue to grow in 2024. The industry remains busy (use of 625 and 825 in Oil project). Hydrogen projection and Ni 201 needs for Electrolysis is strengthening with increasing forecasts for 2024 and 2025 confirmed by the main players like Thyssen Krup Nucera. On the Automotive side, the market see significant slowing down of e-vehicles sales, technology with a medium alloys adherence. H1 2024 confirmed that battery production/projects (high nickel alloys intensity) are multiplying. New technologies like solid state battery are moving forward at high pace. Shipbuilding: historical peak expected for 2024 until possibly 2026 is confirmed from beginning 2024 with high load materialised on the shipyards. Concerning Electronic Alloys, inflation remains however a risk for demand in 2024. Seen from H1 2024, long-term technological changes will continue to drive and boost new applications for Aperam's specialty alloys products in electronics, e-mobility or energy transition.

## Production and capacity

The global structural overcapacity is estimated to have grown in the last years due to additional capacity in China and South East Asia. Cold rolled overcapacity could exceed 4 million tonnes this year in China and 12 million tonnes globally, increasing by 2 million tonnes compared to 2023 and mostly driven by China. This high overcapacity is reinforced by lower than expected consumption of cold rolled in China and weak demand ex-China which reduces the opportunity to increase exports.

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 was rather limited in Europe during H1 2024 in a context of weak demand, destocking and trade investigation.

## Competition

Aperam is a leading flat stainless steel producer in South America, the second largest producer in Europe and one of the top 10 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 is dominated by Chinese producers with Tsingshan, TISCO-BaoWu-Shandong Xinhai and Jiangsu Delong now ranking among the 10 largest global flat stainless steel producers. In South America, we face competition primarily from Asian imports.

## Developments regarding trade measures

First semester of 2024 was marked by 2 major developments in respect to trade measures, as described below.

### European Union

#### 1. Safeguard measures on import of steel products

The initial safeguard measure was introduced in July 2018 to protect the Union steel market against trade diversion for 3 years long (July 2018 – June 2021), following the US decision to impose, under its Section 232 legislation, duties on imports of steel into the US market.

Due to the fact that the US Section 232 measures are still in force, the EU prolonged for three additional years the safeguard measure currently in place on imports of certain steel products (from 1 July 2021 to 30 June 2024).

On June 24, 2024, the European Commission published amending Commission Implementing Regulation (EU) 2024/1782 to confirm the safeguard measure on imports of certain steel products for two additional years (from 1 July 2024 to 30 June 2026).

Type of Products	Allocation by Country	Volume of tariff-rate quota (Kton) From 1.7.2024 to 30.9.2024	Volume of tariff-rate quota (Kton) From 1.10.2024 to 31.12.2024	Volume of tariff-rate quota (Kton) From 1.1.2025 to 31.3.2025	Volume of tariff-rate quota (Kton) From 1.4.2025 to 30.6.2025
Hot Rolled Stainless Steel Flat Products	Third Countries	110,9	110,9	10,5	109,7
Cold Rolled Stainless Steel Flat Products	South Korea	50,2	50,2	49,1	49,6
	Taiwan	46,5	46,5	45,5	46,0
	India	31,1	31,1	30,4	30,8
	South Africa	27,1	27,1	26,5	26,8
	United States	25,3	25,3	24,8	25,0
	Turkey	21,1	21,1	20,6	20,8
	Other Countries	66,9	66,9	65,4	66,1

For further details please refer to the following link:

[https://eur-lex.europa.eu/eli/reg\\_impl/2024/1782](https://eur-lex.europa.eu/eli/reg_impl/2024/1782)

Anti-dumping and anti-circumvention measures on cold rolled stainless steel (originating in China and Taiwan, India, Indonesia, Turkey and Vietnam) and anti-dumping, anti-subsidies and anti-circumvention measures on hot rolled stainless steel (originating in China, Taiwan, Indonesia and Turkey) continue during the imposition of safeguard measures.

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

## **2. Anti-circumvention investigation on imports of stainless steel cold-rolled flat products (SSCR) originating in Taiwan, Vietnam and Turkey**

On August 14<sup>th</sup> 2023, the Commission officially started two anti-circumvention investigations in the stainless steel cold-rolled segment.

The Commission found enough ground to probe imports of stainless steel cold-rolled flat products (SSCR) from Taiwan, Turkey and Vietnam for the potential circumvention of the anti-dumping duties and of the countervailing duties imposed on Indonesian products in November 2021 and in March 2022, respectively.

The Commission has also decided to immediately start registration of concerned imports from Taiwan, Turkey and Vietnam.

On May 6<sup>th</sup> 2024, the Commission published in the official Journal the Regulations extending the anti-dumping duties on stainless steel cold-rolled flat products (SSCR) from Indonesia to imports from Taiwan and Vietnam (19,3%) and the countervailing duties on stainless steel cold-rolled flat products (SSCR) from Indonesia to imports from Taiwan, Turkey and Vietnam (20,5%).

Type of products	Countries	Definitive Anti-circumvention duty (%)	Effective from
Cold Rolled Stainless Steel Flat Products	Taiwan	39,8% (non exempted exporters)	May 7, 2024 <sup>(1)</sup>
Cold Rolled Stainless Steel Flat Products	Turkey	20,5% (non exempted exporters)	May 7, 2024
Cold Rolled Stainless Steel Flat Products	Vietnam	39,8% (non exempted exporters)	May 7, 2024

**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.

The Regulation exempted the following exporting producers from the imposition of duties:

Type of products	Taiwan (exemption from AD and AS measures)	Turkey (exemption from AS measures)	Vietnam (exemption from AD and AS measures)
Cold Rolled Stainless Steel Flat Products	<ul style="list-style-type: none"> <li>- Chia Far Industrial Factory Co., Ltd.</li> <li>- Tang Eng Iron Works Co., Ltd.</li> <li>- Tung Mung Development Co., Ltd.</li> <li>- Walsin Lihwa Corporation</li> <li>- Yieh United Steel Corporation</li> <li>- Yuan Long Stainless Steel Corp.</li> </ul>	<ul style="list-style-type: none"> <li>- Posco Assan TST Celik Sanayi A.Ş.</li> </ul>	<ul style="list-style-type: none"> <li>- Posco VST Co., Ltd. (exemption from AD and AS measures)</li> <li>- Lam Khang Joint Stock Company (exemption from AD measures only)</li> </ul>

Exemption from the extension of the duties remains conditioned to the provision by the importer of mill test certificates including declaration on the Indonesian or non-Indonesian place of melting and pouring of the slabs.

The Regulations also order the collection of duties on the imports registered since last August (except for those produced by the companies for which the measures do not apply or for which an exemption was granted).

For further details please refer to the following links:  
<https://eur-lex.europa.eu/legal-content/IT/TXT/?uri=CELEX%3A32024R1267>  
[https://eur-lex.europa.eu/eli/reg\\_impl/2024/1268/oj](https://eur-lex.europa.eu/eli/reg_impl/2024/1268/oj)

Here below the exhaustive list of other trade defense measures in force in the European Union for stainless steel flat products:

**1. 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 <sup>(1)</sup>
Cold Rolled Stainless Steel Flat Products	Taiwan	6.8% except Chia Far 0%	March 26, 2015 <sup>(1)</sup>

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

Duties will remain in place until September 15<sup>th</sup>, 2026.

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



**2. Anti-dumping measures applicable to imports of hot rolled stainless steel sheets and coils originating in the People's Republic of China, Taiwan and Indonesia.**

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%	October 7, 2020 <sup>(1)</sup>
Hot Rolled Stainless Steel Flat Products	Taiwan	From 4,1% up to 7,5%	October 7, 2020
Hot Rolled Stainless Steel Flat Products	Indonesia	17,3%	October 7, 2020

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.

Duties will remain in place until October 6<sup>th</sup>, 2025.

For further details please refer to the following link:

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R1408&from=EN>

**3. Anti-dumping measures applicable to imports of stainless steel cold-rolled flat products originating in India and Indonesia**

Type of products	Countries	Definitive Anti-dumping duty (%)	Effective from
Cold Rolled Stainless Steel Flat Products	India	From 10,0% up to 35,3%	May 28, 2021 <sup>(1)</sup>
Cold Rolled Stainless Steel Flat Products	Indonesia	From 9,3% up to 20,2%	May 28, 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.

Duties will remain in place until May 27<sup>th</sup>, 2026.

For further details please refer to the following link:

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2012&from=EN>

#### 4. Anti-subsidy measures applicable to imports of stainless steel cold-rolled flat products originating in India and Indonesia

Type of products	Countries	Definitive Countervailing duty (%)	Effective from
Cold Rolled Stainless Steel Flat Products	India	From 4,3% up to 7,5%	March 17, 2022 <sup>(1)</sup>
Cold Rolled Stainless Steel Flat Products	Indonesia	From 13,5% up to 21,4% except PT. Jindal Stainless Indonesia	March 17, 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.

The duties will remain in place until March 16<sup>th</sup>, 2027.

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>

#### 5. Anti-circumvention measures on imports of stainless steel hot-rolled flat products (SSHR) originating in Turkey

On April 18th 2023, the Commission published the Regulation extending the Indonesian AD duties on SSHR to imports of SSHR from Turkey.

The Commission decided to extend the 17.3% anti-dumping duties applicable to imports of SSHR from Indonesia to imports of SSHR from Turkey.

The Regulation confirms that no exemption is being granted to any exporters, meaning that all imports from Turkey will be subject to duties.

Type of products	Countries	Definitive Anti-circumvention duty (%)	Effective from
Hot Rolled Stainless Steel Flat Products	Turkey	17,3%	April 18, 2023

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.

The Commission acknowledged the existence of a change in the pattern of trade by reference to the flows of SSHR to the EU and of Indonesian slabs to Turkey.

Duties will remain in place until April 17<sup>th</sup>, 2028.

For further details please refer to the following link:

[https://eur-lex.europa.eu/eli/reg\\_impl/2023/825/oj](https://eur-lex.europa.eu/eli/reg_impl/2023/825/oj)

## Brazil

### 1. Import Duties (TEC) applicable on Stainless Steel and Electrical Steel imports originated outside Mercosur country members.

On 5 November 2021, Brazilian Foreign Trade Commission approved a 10% import tax reduction for Steel products. Stainless and Electrical Steel import duties were reduced from 14% to 12.6%. Another reduction from 12.6% to 11.2% duties, was approved on 23 May 2022 and expired on 31st December 2023. Currently, the import duties applied for Stainless and Electrical Steel are at 12.6% for imports originated in other countries than Mercosur members.

For further details please refer to the following links:

<https://www.in.gov.br/en/web/dou/-/resolucao-gecex-n-353-de-23-de-maio-de-2022-402126532>

<https://www.gov.br/mdic/pt-br/assuntos/camex/estrategia-comercial/tarifas/tarifa-externa-comum/tarifa-externa-comum-1>

### 2. Anti-dumping measures applicable to imports of certain cold rolled stainless steel sheets and coils

On October 4, 2019 Brazil's Trade Defense Department (Decom), an investigative body under the Brazilian Ministry of Development, Industry and Foreign Trade published a decision to extend for 5 years the anti-dumping measures applicable on imports of Stainless Steel Flat Products Cold Rolled 304 and 430, in thicknesses between 0.35mm and 4.75mm, originated in People's Republic of China and Taiwan. Renewed duties starting from 175\$/t to 629\$/t for China and 93\$/t to 705\$/t for Taiwan.

For further details please refer to the following link: <https://www.in.gov.br/en/web/dou/-/portaria-no-4.353-de-1-de-outubro-de-2019-219474441>

On 28th May, 2024, Brazil's Trade Defense Department (Decom) published the conclusion of an anti-circumvention investigation and the decision to extend the anti-dumping measures of 629\$/t applicable for imports originated in People's Republic of China to Stainless Cold Rolled 410 and 200 series in thicknesses between 0.35mm and 4.75mm.

For further details please refer to the following link:

<https://www.in.gov.br/en/web/dou/-/resolucao-gecex-n-594-de-24-de-maio-de-2024-562140943>

### 3. Anti-Subsidy measures certain cold rolled stainless steel sheets and coils

On December 2nd, 2022 Brazilian Trade Defense authority published final determination on anti-subsidies duties for Stainless Flat Cold Rolled 304 grades originated in Indonesia, of 18,79% on top of CIF prices, valid for 5 years.

For further details please refer to the following link:

<https://in.gov.br/en/web/dou/-/resolucao-gecex-n-421-de-1-de-dezembro-de-2022-447345670>

#### **4. Anti-dumping measures applicable to imports of certain Stainless Steel Welded Tubes**

On July 25, 2019, Brazil's Trade Defense Department (Decom) published a decision to extend for 5 years the anti-dumping measures applicable on imports originated in People's Republic of China of Stainless Steel Welded Tubes 304 and 316 in thickness between 0.4mm to 12.70mm, valid for 5 years from 344\$/t to 405\$/t.

For further details please refer to the following link:

<https://www.in.gov.br/en/web/dou/-/portaria-secint-n-506-de-24-de-julho-de-2019-205250517>

On May 8th, 2024, Decom published the decision to start a new investigation to analyse dumping on imports of Austenitics Stainless Steel Welded Tubes originated in India and Taiwan.

For further details please refer to the following link:

<https://www.in.gov.br/en/web/dou/-/circular-n-17-de-6-de-maio-de-2024-558552441>

On June 14, 2024, Decom published the decision to extend anti-dumping measures on imports of Stainless Steel Welded Tubes 304 and 316 in thickness between 0.4mm to 12.70mm originated in Malaysia, Thailand and Vietnam for 5 years. Duties applied from 234\$/t up to 888\$/t.

For further details please refer to the following link:

<https://www.in.gov.br/web/dou/-/resolucao-gecex-n-602-de-13-de-junho-de-2024-565730575>

#### **5. Anti-dumping measures applicable to imports of certain Electrical Steel - Grain Non-Oriented (GNO)**

On July 15, 2019, Decom published the decision to extend anti-dumping measures on imports of Electrical Steel - Grain Non-Oriented (GNO) originated in China, South Korea, Taiwan and Germany for 5 years. Duties applied from 90\$/t up to 166\$/t.

For further details please refer to the following link:

<https://www.in.gov.br/en/web/dou/-/portaria-n-495-de-12-de-julho-de-2019-192160720>

## **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 2023 with a continuous decline of the nickel price traded at the LME the new year 2024 has started with a 3M price of USD 16,800 per ton finding its bottom at USD 15,880 early February. After rising to a nine-month high in mid-May, the LME 3M nickel price fell back to \$17,270/t at the end of June on the back of long liquidation as the fundamentals came back into focus. Three factors have helped rebalance the near-term market, despite a significant underperformance in demand from the electric vehicle battery sector. The first is booming Chinese/Indonesian production of high nickel stainless steel (300-series) which has consumed all excess units of nickel pig iron production. The second has been a slowdown in the rate of Indonesian nickel pig iron growth due to delays in issuing ore production licences for 2024. The final factor has been over 300ktpa of nickel supply reductions (dominated by 200ktpa of ferro-nickel supply cuts) and the threat of further cuts of well over 100ktpa that could be announced in the coming months. Reason behind is a stronger demand from China during Q1, more producers halting production and lower investments in Indonesia amid delays in issuing mining licenses. LME stocks have continuously increased from 64,158 tons at the beginning of the year to 94,035 tons at the end of June.

## Ferro-chrome

The European ferrochrome benchmark decreased by 9 USct from the fourth quarter of 2023 into the first quarter of 2024 settling at USD 1.44 per pound of chrome following the development in China. With increasing ore prices and consequently increased costs to produce FeCr in China the prices recovered and the benchmark was agreed at USD 1.52 per pound for the second quarter of 2024. The global HC FeCr market was in a large surplus in 2024 Q1 due to strong Chinese production. With the second quarter being stronger in stainless steel production globally the market moved into a more balanced supply/demand situation at the end of the first half of 2024.

On 20th May 2024 Merafe Resources announced that the quarterly European Ferrochrome Benchmark will be discontinued with effect from June 2024 and the company will therefore no longer publish the price.

## Molybdenum

Ferro-molybdenum prices started January at USD 48.50 per kilogram and remained very stable throughout the first quarter of 2024. During Q2 molybdenum markets saw some movement off a persistently strong Chinese ferro-molybdenum market driven by the beforehand mentioned strong Chinese stainless steel production. With some existing supply recovering from lower production and limited new supply the market remained very tight but close to balance looking at the weaker demand from Chinese steel mills at the end of the quarter. End of June ferro-molybdenum price traded at USD 53.30 per kg.

## Ferrous scrap

Ferrous scrap prices HMS1/2 cfr Turkey started 2024 firmly, trading at USD 405 per tonne. The scrap market in the European Union was balanced as weak demand was offset by limited supply. Steelmakers in the region were slow to ramp up operations to keep steel prices supported amid subdued finished steel demand. This combination of weak demand and weaker supply kept scrap prices supported in the EU during the first quarter. During Q2 prices remained steady with little change in market dynamics. Ferrous scrap prices finished the quarter with USD 384 per metric ton.

## 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

At the end of 2023, the Euro amounted to 1.1050 U.S. dollar/Euro and 5.3516 Brazilian real/Euro. In the first half of 2024, the Euro appreciated by 3.1% against the U.S. dollar to reach 1.0705 U.S. dollar/Euro and appreciated by 11.3% against the Brazilian real to reach 5.9547 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, 2024, and is compared to the six months ended June 30, 2023.

## 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, 2024 as compared to the six months ended June 30, 2023:

	Sales for the Six Months Ended June 30, <sup>(1)</sup>		Shipments for the Six Months Ended June 30, <sup>(1) (2) (3)</sup>		Average Selling Price for the Six Months Ended June 30, <sup>(1)</sup>		Changes in		
Operating segment	2024	2023	2024	2023	2024	2023	Sales	Shipments	Average Selling Price
	(in millions of Euros)		(in thousands of tonnes)		(in Euros/tonne)		(%)		
Stainless & Electrical Steel <sup>(4)</sup>	2,080	2,283	834	772	2,385	2,852	(8.9)	8.0	(16.4)
Services & Solutions	1,254	1,210	396	330	3,023	3,542	3.6	20.0	(14.7)
Alloys & Specialties	520	470	20	18	24,573	24,760	10.6	11.1	(0.8)
Recycling & Renewables	1,039	1,091	740	726	1,404	1,503	(4.8)	1.9	(6.6)
Total (before intra-group eliminations)	4,893	5,054	1,990	1,846			(3.2)	7.8	
Others and elimination	(1,602)	(1,476)	(822)	(705)			8.5	16.6	
Total (after intra-group eliminations)	3,291	3,578	1,168	1,141			(8.0)	2.4	

**Notes:**

- (1) Amounts are shown prior to intra-group elimination. For additional information, see Note 2 to the interim condensed consolidated financial statements
- (2) Stainless & Electrical shipment amounts are shown prior to intersegment shipments of 386 thousand tonnes and 331 thousand tonnes in the six months ended June 30, 2024 and 2023, respectively.
- (3) Recycling & Renewables shipment amounts are shown prior to intersegment shipments of 436 thousand tonnes and 374 thousand tonnes in the six months ended June 30, 2024 and 2023, respectively.
- (4) Includes shipments of special carbon steel from the Company's Timóteo production facility.

In the first half of 2024, sales to external customers decreased by 8.0% compared to the first half of 2023 primarily due to lower average selling prices despite higher shipments of 2.4%.

## Stainless & Electrical Steel

Sales in the Stainless & Electrical Steel segment (including intersegment sales) decreased by 8.9%, for the six months ended June 30, 2024 compared to the same period previous year primarily due to lower average selling price. Shipments for this segment (including inter segment shipments) increased by 8.0%, and the average selling price for the Stainless & Electrical Steel segment decreased by 16.4% for the six months ended June 30, 2024 compared to the same period previous year.

Sales to external customers in the Stainless & Electrical Steel segment were €1,013 million for the six months ended June 30, 2024, representing 30.8% of total sales, a decrease of 17.8% as compared to the €1,233 million in sales to external customers for the six months ended June 30, 2023, or 34.5% of total sales.

## Services & Solutions

Sales in the Services & Solutions segment (including intersegment sales) increased by 3.6% for the six months ended June 30, 2024 compared to the same period previous year, primarily due to higher shipments. Shipments for this segment increased by 20.0%, and the average selling price for the Services & Solutions segment decrease by 14.7% for the six months ended June 30, 2024 compared to the same period previous year.

Sales to external customers in the Services & Solutions segment were €1,210 million for the six months ended June 30, 2024, representing 36.8% of total sales, an increase of 3.6% as compared to sales of €1,168 million for the six months ended June 30, 2023, or 32.6% of total sales.

## Alloys & Specialties

Sales in the Alloys & Specialties segment (including intersegment sales) increased by 10.6% for the six months ended June 30, 2024 compared to the same period previous year, primarily due to higher shipments. Shipments for this segment increased by 11.1%, and the average selling price decrease by 0.8% for the six months ended June 30, 2024, compared to the same period previous year.

Sales to external customers in the Alloys & Specialties segment were €512 million for the six months ended June 30, 2024, representing 15.6% of total sales, an increase of 10.6% as compared to the €463 million in sales to external customers for the six months ended June 30, 2023, or 12.9% of total sales.

## Recycling & Renewables

Sales in the Recycling & Renewables segment (including intersegment sales) decreased by 4.8% for the six months ended June 30, 2024 compared to the same period previous year, primarily due to lower average selling price. Shipments for this segment increased by 1.9%, and the average selling price decrease by 6.6% for the six months ended June 30, 2023, compared to the same period previous year.

Sales to external customers in the Recycling & Renewables segment were €556 million for the six months ended June 30, 2024, representing 16.9% of total sales, a decrease of 22.0% as compared to the €713 million in sales to external customers for the six months ended June 30, 2023, or 19.9% of total sales.

## Operating income

The following table provides our operating income and operating margin for the six months ended June 30, 2024, as compared to the six months ended June 30, 2023:

	Operating Income Six Months Ended June 30,		Operating Margin Six Months Ended June 30,	
	2024	2023	2024	2023
Operating Segment	(in millions of Euros)		(%)	
Stainless & Electrical Steel	2	81	0.1	3.5
Services & Solutions	24	(1)	1.9	(0.1)
Alloys & Specialties	37	23	7.1	4.9
Recycling & Renewables	(8)	43	(0.8)	3.9
<b>Total<sup>(1)</sup></b>	<b>16</b>	<b>135</b>	<b>0.5</b>	<b>3.8</b>

### Notes:

(1) Amounts shown include eliminations of €(39) million and €(11) million for the six months ended June 30, 2024 and 2023 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.

The Group's operating income for the six months ended June 30, 2024, was €16 million, compared to an operating income of €135 million for the six months ended June 30, 2023. Operating income decreased by €119 million when comparing six months ended June 30, 2024 versus six months ended June 30, 2023. The first half of the year 2024 was challenging especially in our steelmaking operations in both Europe and Brazil. In Europe demand remained depressed due to the combination of low real demand and destocking by customers. As a consequence, the price recovery that started late in 2023 stalled and margins remained at an insufficient level. Demand was solid in Brazil but through the import channel domestic prices came under pressure. In addition the modernisation of the local hot rolling mill did not proceed according to plan with a delayed ramp up. Lost volumes and a lower yield impacted earnings significantly in the second quarter. Despite some relief from raw material price induced inventory valuation charges year on year and a solid performance of Services & Solutions and Alloys & Specialties - our two growth segments - operating profit decreased versus the same period last year.

## Stainless & Electrical Steel

The operating income for the Stainless & Electrical Steel segment was €2 million for the six months ended June 30, 2024, compared to an operating income of €81 million for the six months ended June 30, 2023, which corresponds to a decrease by EUR 79 million. Higher volumes during the first half of the year 2024 were more than offset by lower average steel selling prices.

## Services & Solutions

The operating income for the Services & Solutions segment was €24 million for the six months ended June 30, 2024, compared to an operating loss of €(1) million for the six months ended June 30, 2023, which corresponds to an increase by EUR 25 million. Operating result increased due to inventory valuation gains and higher volumes that more than compensated lower realized prices.

## Alloys & Specialties

The operating income for the Alloys & Specialties segment was €37 million for the six months ended June 30, 2024, compared to an operating income of €23 million for the six months ended June 30, 2023. Despite prices at comparable level, the operating income of the segment increased by €14 million due to higher volumes and a better mix from project business.

## Recycling & Renewables

The operating result for the Recycling & Renewables segment was a loss of €(8) million for the six months ended June 30, 2024, compared to an income of €43 million for the six months ended June 30, 2023. During the first half of the year 2024, the operating result deteriorated due to reduced demand from the stainless customers amid lower prices

## Financing costs

Financing costs include interest income, interest expense, net foreign exchange and derivative results and other net financing costs. Financing costs were €(32) million for the six months ended June 30, 2024, compared to financing costs positive of €86 million for the six months ended June 30, 2023.

Excluding the foreign exchange and derivative results described below, net interest expense and other financing costs for the six months ended June 30, 2024 were negative at €(28) million. This is compared to the net interest expense and other financing costs of €(19) million for the six months ended June 30, 2023. Net interest expense and other financing costs for the six months ended June 30, 2024 also included €(27) million of cash cost of financing versus €(17) million for the six months ended June 30, 2023. 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 losses were €(4) million for the six months ended June 30, 2024, compared to realised and unrealised foreign exchange and derivative gains of €105 million for the six months ended June 30, 2023. Foreign exchange results primarily relate to the accounting revaluation of non-Euro assets, liabilities, sales and earnings. Results on derivatives relate to the financial instruments we entered into (i) to hedge our exposure on commodity (mainly nickel) and foreign exchange derivatives, which do not qualify for hedge accounting treatment under IFRS 9 and (ii) to hedge our exposure on interest rates.

## Income Tax

Income tax result was a benefit of €58 million for the six months ended June 30, 2024 and an expense of €(44) million for the six months ended June 30, 2023. This change in income tax result for the six months ended June 30, 2024 is primarily due to the lower level of result before tax for the six months ended June 30, 2024, negative at €(17) million compared to €220 million for the six months ended June 30, 2023. The income tax result for the six months ended June 30, 2024 was positively impacted by the recognition of deferred tax assets on capital losses and the reversal of deferred tax liabilities in respect of uncertain tax positions on impairment losses and interest expenses recapture.

## Net Income Attributable to Equity Holders of the Parent

Our net result was a profit of €40 million for the six months ended June 30, 2024, compared to a profit of €175 million for the six months ended June 30, 2023.

## 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 / (loss):

(in millions of Euros)

Six months ended June 30, 2024	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others / Eliminations <sup>(1)</sup>	Total
Operating income / (loss)	2	24	37	(8)	(39)	16
Depreciation, amortisation and impairment	(55)	(7)	(8)	(46)	(1)	(117)
<b>EBITDA</b>	<b>57</b>	<b>31</b>	<b>45</b>	<b>38</b>	<b>(38)</b>	<b>133</b>

(in millions of Euros)

Six months ended June 30, 2023	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others / Eliminations <sup>(1)</sup>	Total
Operating income / (loss)	81	(1)	23	43	(11)	135
Depreciation and amortisation	(51)	(7)	(5)	(31)	(1)	(95)
<b>EBITDA</b>	<b>132</b>	<b>6</b>	<b>28</b>	<b>74</b>	<b>(10)</b>	<b>230</b>

Note:

(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.

## Net Financial Debt and Gearing

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

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
<i>(in millions of Euros)</i>	2024	2023
Long-term debt	561	574
Short-term debt	325	360
Cash and cash equivalents	(279)	(443)
<b>Net Financial Debt</b>	<b>607</b>	<b>491</b>
Equity	3,243	3,450
<b>Gearing</b>	<b>19%</b>	<b>14%</b>

## 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,	
<i>(in millions of Euros)</i>	2024	2023
Net cash provided by operating activities	75	201
Net cash used in investing activities	(105)	(115)
<b>Free cash flow before dividend and share buy-back</b>	<b>(30)</b>	<b>86</b>

## 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 August 1, 2024, the Company released its second quarter 2024 results, which are available on the Company's website ([www.aperam.com](http://www.aperam.com)) under the "Investors" > "Reports and Presentations" > "Quarterly Reports" section. As part of its prospects, the Company announced that EBITDA in Q3 2024 is expected at a slightly higher level versus Q2 2024. We also guide for higher Q3 2024 net financial debt.



# Liquidity

## Liquidity and capital resources

The Group's main 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 on 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 as described below are sufficient to meet the Group's current liquidity requirements.

Our cash and cash equivalents amounted to €279 million and €443 million as of June 30, 2024 and December 31, 2023, respectively.

Our total gross debt, which includes long and short-term debt, was €886 million and €934 million as of June 30, 2024 and December 31, 2023, respectively. As of June 30, 2024, Aperam had €116 million out of the total gross debt of €886 million outstanding at the subsidiary level (including €101 million of finance leases).

Net financial debt, defined as long-term debt plus short-term debt less cash and cash equivalents, was €607 million as of June 30, 2024, compared to €491 million at December 31, 2023.

Gearing, defined as net financial debt divided by total equity, was 19% as of June 30, 2024, compared to 14% as of December 31, 2023.

As of June 30, 2024, the Company had a total liquidity of €904 million, consisting of cash and cash equivalents of €279 million, committed credit lines of €625 million (revolving credit facility of €700 million) at Aperam S.A. level.

As of 31 December 2023, the Company had a total liquidity of €1,023 million. This included €443 million in cash and cash equivalents and €580 million in committed credit lines (unsecured revolving credit facilities of €700 million) at Aperam S.A. level.

## Financing

### €500m Unsecured Revolving Credit Facility / €300m Fixed Rate Term Facility

On 11 February 2022, Aperam announced having entered into a 5+1+1 years sustainably-linked senior unsecured revolving credit facility (hereinafter, '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 six year sustainably-linked amortising fixed rate term facility of €300 million with a syndicate of 10 banks (hereinafter, 'Loan'). The Facility is for general corporate purposes and the Loan is dedicated to the refinancing of ELG's maturing debts. The pricing of financing contracts is linked to two of the Company's strategic commitments: to become a best-in-class stainless steel manufacturer in terms of Health & Safety and to maintain its leadership position in low carbon steel-making.

On 26 January 2023, Aperam confirmed the extension of the maturity of the sustainably-linked senior unsecured revolving credit facility of €500 million by one year.

The Facility and the Loan contain a financial covenant for a maximum consolidated total debt of 90% of consolidated tangible net worth. On 30 June 2024, this financial covenant was fully met.

On 30 June 2024, the Facility was fully undrawn and the Loan was fully drawn.

### €200m Unsecured Revolving Credit Facility

On 26 September 2023, Aperam entered into a 3+1 years sustainably-linked senior unsecured revolving credit facility (hereinafter, Facility') of €200 million with a syndicate of 7 banks. The Facility is for the repayment of amounts outstanding under the existing financial indebtedness, together with any breakage costs and other costs and expenses payable in connection with such repayment and for general corporate purposes.

The Facility contains a financial covenant, being a maximum consolidated total debt of 90% of consolidated tangible net worth. On 30 June 2024, this financial covenant was fully met.

On 30 June 2024, an amount of €75 million was drawn under the Facility.

### 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 24 September 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 an initially announced volume of €100 million to €190 million. The fixed rate tranches, which total €150 million, bear an interest rate of = 1.10% - 1.50%. The floating rate tranches, which total €40 million, bear an interest rate of EURIBOR 6M + 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.

On March 27, 2023, in accordance with §489 subsection (1) of the German Civil Code ("*Bürgerliches Gesetzbuch*"), the Company called €40 million Schuldscheindarlehen for early repayment at its nominal amount plus interest accrued.

### 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, 2024, an amount of €148 million was drawn under the Aperam NEU CP programme.

### True Sales of Receivables Programme

The Company has established sales without recourse to a 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 €575 million and €550 million as of 30 June 2024 and 31 December 2023, respectively. Through the TSR programme, certain Aperam operating subsidiaries 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 13 May 2024, Aperam increased its sales without recourse to a trade accounts receivable programme with financial institutions, referred to as TSR, to a maximum combined amount of the programmes that could be utilised to €575 million, up from €550 million.

The total amount of receivables sold under the TSR programme and derecognised in accordance with IFRS 9 for the six months ended June 30, 2024 and 2023 were €1.14 billion and €1.35 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 €(15) million and €(12) million for the six months ended June 30, 2024 and 2023, respectively.

## Credit ratings

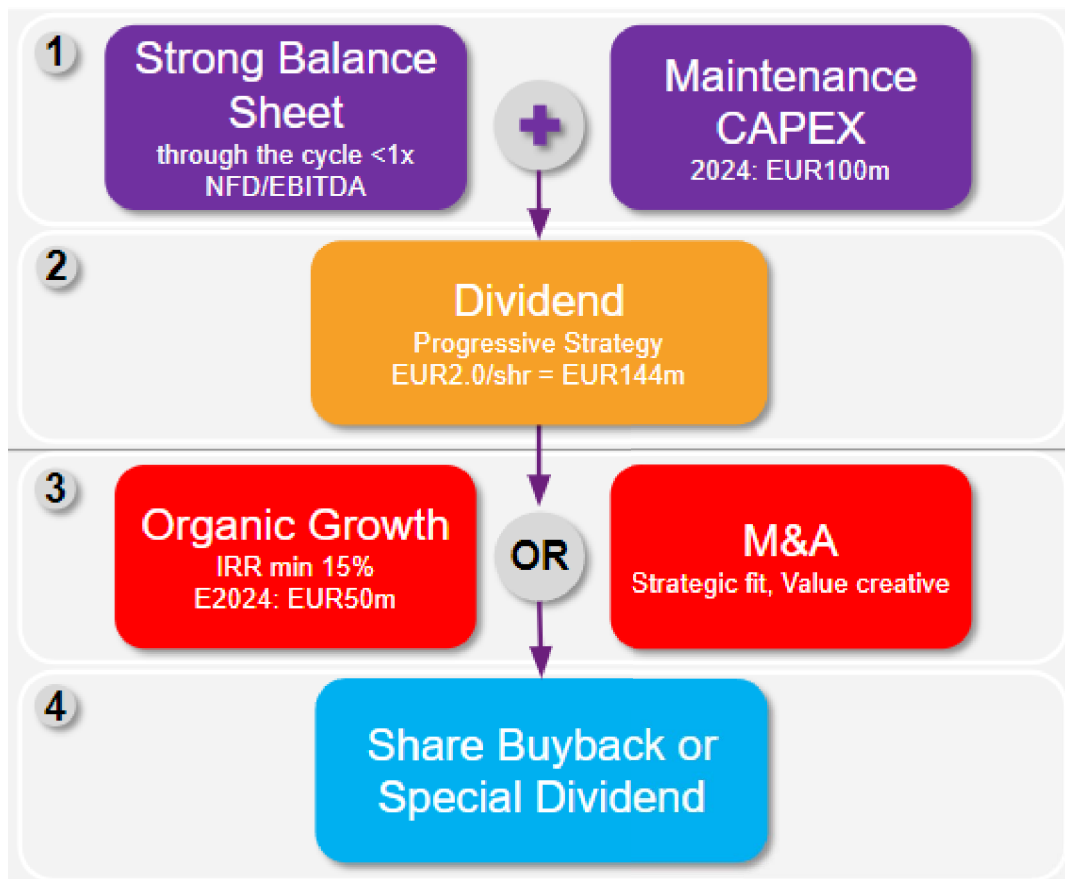
On June 13, 2019, Aperam announced that it has requested to be withdrawn from the credit rating services of S&P Global Ratings and Moody's Investor Service, while reaffirming to maintain investment grade financial ratios. Given the Company's low level of debt and the nature of funding needs, credit rating 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 maximise the long-term growth of the Company and the value accretion for its shareholders while maintaining a strong balance sheet.



# 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 order to benefit from exemption of Luxembourg dividend withholding tax at source, an “Informative Memorandum” describing the procedure to obtain an exemption at source of the Luxembourg dividend withholding tax is available at the following link:

[Procedure to apply for an exemption from Luxembourg withholding tax](#)

### In 2024

On 9 February 2024, Aperam announced its detailed dividend payment schedule for 2024. The Company proposed to maintain its base dividend of €2.00 per share. On 30 April 2024, the shareholders approved this proposal at the 2024 Annual General Meeting. The dividend payments would occur in four equal quarterly instalments of €0.5 (gross) per share in 2024 as described below in the detailed dividend schedule:

	1 <sup>st</sup> Quarterly Payment (interim)	2 <sup>nd</sup> Quarterly Payment	3 <sup>rd</sup> Quarterly Payment	4 <sup>th</sup> Quarterly Payment
<b>Announcement date</b>	22 February 2024	07 May 2024	12 August 2024	6 November 2024
<b>Ex-Dividend</b>	27 February 2024	10 May 2024	16 August 2024	11 November 2024
<b>Record Date</b>	28 February 2024	13 May 2024	19 August 2024	12 November 2024
<b>Payment Date</b>	21 March 2024	07 June 2024	12 September 2024	6 December 2024
<b>FX Exchange rate</b>	23 February 2024	8 May 2024	13 August 2024	7 November 2024

## 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 2, 2023, the Annual General Meeting of Shareholders renewed such authorisation under the same conditions and instruct the Board of Directors or its delegate(s) to implement the cancellation of the number of treasury shares and to cause the share capital reductions and cancellations of the treasury shares and the consequential amendment of the Articles to be recorded by way of one or more notarial deeds.

On April 30, 2024, the Board of Directors decided to instruct the notary to implement the cancellation of the shares, to reduce accordingly the corporate issued share capital and to cause the amendment of the Articles.

**Disclosure of trading in own shares under Luxembourg Company law**

- Number of own shares held on December 31, 2023: 5,787,481 shares or 7.427% of the subscribed capital, representing a nominal value of €193,365,249 and an accounting par value of €30,326,400.
- Number of shares acquired through the 2022 share buyback programme cancelled on May 23rd, 2024: 4,852,118 shares or 6.22% of the subscribed capital representing a nominal value of €162,110,716 and an accounting par value of €25,425,098.
- Number of shares granted during the 2024 financial period to deliver shares to qualifying employees under the Group's Long Term Incentive Plans after fulfilment of performance criteria: 39,070 shares (48,446 shares, net of 9,376 shares retained for tax purposes), or 0.05% of the subscribed capital, representing a nominal value of €1,305,498 and an accounting par value of €204,727.
- Number of own shares held on June 30, 2024: 896,293 or 1.22% of the subscribed capital, representing a nominal value of €29,949,035 and an accounting par value of €4,696,575.

The total numbers of outstanding shares (net of treasury shares) as of June 30, 2024 stood at 72,288,277 shares.



## Sources and uses of cash

The following table presents a summary of our cash flows for the six months ended June 30, 2024, as compared to the six months ended June 30, 2023:

	<b>Summary of Cash Flows</b>	
	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<i>(in millions of Euros)</i>	
Net cash provided by operating activities	75	201
Net cash used in investing activities	(105)	(115)
Net cash used in financing activities	(127)	(115)

### Net cash provided by operating activities

Net cash provided by operating activities amounted to €75 million for the six months ended June 30, 2024, compared to €201 million for the six months ended June 30, 2023, which corresponds to a decrease of €126 million that can be mainly explained by:

- lower operating income by €119 million (from €135 million as of June 30, 2023 to €16 million as of June 30, 2024), partly offset by
- lower working capital requirements by €31 million (from €(20) million as of June 30, 2023 to €11 million as of June 30, 2024),
- higher depreciation charge by €19 million and an impairment loss of €3 million (from €95 million as of June 30, 2023 to €117 million as of June 30, 2024) and
- lower income tax paid by €17 million (from €29 million as of June 30, 2023 to €12 million as of June 30, 2024).

### Net cash used in investing activities

Net cash used in investing activities amounted to €(105) million for the six months ended June 30, 2024, compared to €(115) million for the six months ended June 30, 2023. The net cash used in investing activities for the six months ended June 30, 2024 was related to capital expenditures of €(103) million, and €(2) million of purchase of biological assets and other investing activities, compared to €(113) million of capital expenditures, transfer of cash into restricted cash of €(3) million and €1 million of other investing activities for the six months ended June 30, 2023.

### Net cash used in financing activities

Net cash used in financing activities was €(127) million for the six months ended June 30, 2024, compared to €(115) million for the six months ended June 30, 2023. Net cash used in financing activities for the six months ended June 30, 2024 was primarily related to the repayment of RCF for €(45) million, EIB loan tranches for €(13) million, €(73) million of dividend payments and €(8) million of lease payments, partly offset by additional drawing of commercial papers of €12 million. In comparison, net cash used in financing activities for the six months ended June 30, 2023 was primarily related to the early repayment of the floating rate tranches of the “Schuldscheindarlehen” for €(40) million, the repayment of ELG debt for €(19) million and EIB loan tranches for €(13) million, €(72) million of dividend payments and €(8) million of lease payments, partly offset by additional drawing of commercial papers of €31 million.

## Equity

Equity attributable to the equity holders of the parent decreased by €(207) million to €3,235 million as of June 30, 2024, compared to €3,442 million on December 31, 2023. This is primarily due to dividend declaration of €(144) million and foreign currency translation differences of €(110) million as Brazilian Real depreciated by 11.3% against Euro during the six months period ended June 30, 2024, partly offset by a net profit for the six months period ended June 30, 2024 of €40 million.

## A Strong Focus on Self-Help Measures

From its creation, Aperam has always pursued a strategy designed to reinforce the robustness of our business using self-help measures. We accomplish this by continuously leveraging our in-house internal improvement measures 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 have remained focused on achieving Phase 4 of the Leadership Journey® through a combination of cost, growth and mix improvement measures, and now on starting Phase 5.

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 below.

### *Completed Leadership Journey® initiatives by phase and total target gains*

Phase 1: 2011-2013 Restructuring & cost cutting	Phase 2: 2014-2017 Upgrading best performing assets	Phase 3: 2018-2020 Transforming the Company
<i>Completed</i>	<i>Completed</i>	<i>Completed</i>
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

### *The newly completed Phase 4 of the Leadership Journey®: Combining growth, mix and cost improvements*

On 4 November 2020, Aperam announced Phase 4 of its Leadership Journey® with a cumulative target of €150 million in gains for the 2021 - 2023 period. This was to be achieved via a combination of cost, growth and mix improvement measures. This new phase of the Leadership Journey® consisted of two steps. First, changes to our footprint will defend our cost leadership in Europe by bundling volumes and expertise at the most efficient lines. This forms a solid basis for the second step, where the resulting increase in productivity has been used for improving our mix and growth pillars. We planned a total cash out of €90 million for Phase 4, which includes capex and any associated restructuring costs. Phase 4 of the Leadership Journey® concluded on 31 December 2023, with a cumulative gain of €186 million, well-above our target gain of €150 million. Despite a very challenging external environment, we managed to come out 24% ahead of target.

Structural cost	<ul style="list-style-type: none"> <li>– Cost leadership in Europe</li> <li>– Leadership Journey® (Phase 4)</li> <li>– Genk downstream ramp up</li> <li>– Footprint specialization</li> <li>– SG&amp;A improvement</li> </ul>	Total gains reached under Phase 4: €186 million versus targeted gain of €150 million
Growth	<ul style="list-style-type: none"> <li>– Top line strategy</li> <li>– Distribution growth</li> <li>– Alloys growth plan</li> <li>– Brazil growth</li> </ul>	
Differentiation	<ul style="list-style-type: none"> <li>– ESG leadership</li> <li>– Strong balance sheet</li> <li>– Financial discipline</li> <li>– Value oriented M&amp;A approach</li> </ul>	

- 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 recognised 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.

#### *Looking at the next milestone, Phase 5 of the Leadership Journey®: Efficiency*

Aperam has now launched Phase 5 of its Leadership Journey®, Efficiency, with targeted gains of €200 million to be realised over the 2024 to 2026 period. Gains will come from a combination of variable and fixed cost savings, as well as further improvements in purchasing and mix from what was achieved during Phase 4. Phase 5 includes a structural cost reduction plan of €50 million. To the extent that this plan would affect employment, we will consult with our social partners on any social impact.

For its second quarter, the program's gains reached €15 million.

# 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.

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. Being the first stainless steel company to earn a ResponsibleSteel™ certification (for Aperam Stainless Europe in 2021 and South America in 2023) is reassurance to our stakeholders that we produce responsibly. With Aperam, our customers have selected a partner recognised as being capable of delivering the highest standards of service, offering them responsibly produced solutions that are also 100% recyclable and low carbon – solutions that are much needed for the sustainable society we strive to live in.

We are determined to be a sector leader in environmental excellence, recording one of the best carbon footprints in 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.



Superior Products

Very long useful life

100% recyclable

Non toxic


Abrasion resistant

Corrosion resistant

Withstands fire & acid


Mechanically strong

Aesthetic



Renewable Energy

Our blast furnace in Brazil uses 100% charcoal as fuel – produced from our sustainably cultivated FSC®-certified forests










Renewable Energy

Aperam's main output in Europe is recycled scrap (> 80%)

Our ELG Recycling division is a global leader in the trading, processing and recycling of raw materials

Our Recyco unit recycles dust, sludge & residues from us and third parties

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

	<b>e-Mobility solutions</b>	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
	<b>Clean air</b>	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
	<b>Cryogenic applications</b>	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
	<b>Sustainable water supply</b>	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
	<b>Solar power</b>	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
	<b>Renewable energy</b>	<ul style="list-style-type: none"> <li>Electrical steels enable high performing wind generators due to their high permeability.</li> <li>The magnetic properties of alloys convert and shape an electrical signal from generation to end use</li> <li>Anemometric towers built of stainless steel enjoy an increased life span, reduced maintenance costs, better safety</li> </ul>
	<b>The hydrogen economy</b>	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

## Sustainability and Environment - Our Recycling & Renewables Division

Aperam benefits from having integrated ELG as Aperam Recycling into our Recycling & Renewables Division. These benefits include lower costs, environmental improvement and growth. With around 1,000 of our employees working in Aperam Recycling, the segment defends Aperam's cost leadership position. It also drives our environmental ambition by facilitating even higher uses of recycled materials, which further lowers our energy use and Greenhouse Gas emissions. Aperam Recycling supports our growth potential and opens new areas for development within Aperam by closing the recycling loop, increasing scrap volumes and by improving the quality of our stainless steel and our alloys and specialty superalloys. In Europe, Aperam now benefits from a secure supply of scrap, a key strategic raw material. In fact, we now use more than 80% of scrap in our European operations.

In Brazil, we have a strong link to sustainable agriculture: our production process is 100% based on charcoal derived from our own sustainably cultivated eucalyptus forests. This unique feature gives us one of the best carbon footprints globally. In Brazil, about 1,800 of our employees are employed in the seedling, nursing and planting of eucalyptus trees as in transport of product. Our forest management is based on best practices and is recognised by the Forest Stewardship Council's (FSC®) certification, whose standards and principles conciliate ecological protection (flora and fauna, but also water reserves) with social benefits and economic feasibility. This commitment to responsible forest management can be seen in our use of the most ecological and advanced technologies to preserve our forests from diseases and fire. Beyond our environmental responsibility in Brazil, we are also very proud to be recognised as one of the best companies to work for in the Brazilian steel industry. Thanks to our own Foundation in Brazil, we are heavily engaged in the educational, cultural, environmental and social agendas of the communities we operate in.

## Performance - A competitive footprint in Europe and Brazil

Aperam's modern production facilities allow the Company to meet its customers' needs for stainless and specialty steel 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, a best-in-class integrated rolling-mill (Isbergues, France). In January 2018, we announced a new investment project of €130 million at our Genk plant. This involved adding a new cold rolling and a new annealing and pickling line to 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. In May 2021, we announced an investment to revamp the Imphy hot rolling mill for long products and re-start the Argon Oxygen Decarburisation (AOD) converter project in Genk that was put on hold in 2019. Both projects, together with the planned specialties centre in Gueugnon, will further help reorientate our product portfolio towards specialties.

To adapt to market conditions, Aperam restructured its downstream operations shortly after its creation, going 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 to further invest in its industrial asset base with via 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), which produces a wide range of stainless, electrical steel and special carbon products. This production setup is unique, as it allows us to easily switch 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 its 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

Sourcing	Logistics	Production and innovation	Sustainability
The only integrated upstream operations in the heart of Europe, with the best access to scrap supply through our Recycling division	Best location to serve Europe's biggest consumption areas	Full range of innovative stainless steel products	<p>Aperam's main input in Europe is recycled scrap (&gt;80%)</p> <p>Our Recycling division with Aperam Recycling, BioEnergia and Recyco offers Aperam a leader's position in sustainability</p> <p>Our 4 main plants have been certified in accordance with the strict ESG criteria of the ResponsibleSteel™ standard</p>
	Efficient logistics and working capital management	Flexibility and efficient capacity	
		A strategy to be a cost benchmark on key Aperam products	
		2 R&D centres	



## Key Strengths of Aperam's Brazilian Operations

Sourcing	Logistics	Production and Innovation	Sustainability
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	Efficient logistics with integrated service centres	Full range of products, including flat stainless steel, electrical steel and special carbon	<p>Our blast furnace in Brazil uses only charcoal as fuel - produced from our sustainably cultivated FSC® - certified forests</p> <p>BIO OIL PRODUCTION</p> <p>Our main plant has been certified in accordance with the strict ESG criteria of the Responsible Steel™ standard</p>
	Only stainless steel producer in South America with best-in-class deliveries to customers	A flexible production route that allows Aperam to maximise its product mix	
	Flexible geographic sales capabilities within South America, allowing Aperam to optimise its geographic exposure	<p>An improving cost position compared to the industry benchmark and one that benefits from best practice benchmarking with European operations</p> <p>1 R&amp;D centre</p>	

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

Aperam's research and development activities are closely aligned with our product and process development strategy. The Group's Research and Development team includes more than 141 employees (FTE) spread across two main centres in Europe (Isbergues and Imphy, France) and one main centre in Timóteo, Brazil. These centres interact closely with the Group's operating segments. To stay at the forefront of product development, they also partner with industrial end-users and leading research organisations.

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 also has a wide range of sustainably produced products. Some of these solutions are highlighted below.



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 77% of Aperam's sales are derived from developed markets, with 23% coming 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 by optimising production volumes, inventory and costs.

Furthermore, the Group has a highly integrated and technically advanced service centre and distribution network, allowing us to maintain direct contact with end-users through strong sales and marketing capabilities.

Aperam's integrated stainless and specialty steel sales, distribution and service network consist of 14 Steel Service Centres, four transformation facilities and 15 sales offices, making it 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. Our global distribution network means we can tailor our products to address specific customer needs, which allows us to maintain our market share and capture 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. As previously mentioned, Aperam is also engaged in the production of nickel and specialty alloy spherical powders for advanced additive manufacturing and metal injection moulding technologies through its ImphyTek Powders SAS joint venture.

# Summary of Principal Risks and Uncertainties Related to Aperam 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, along with the risk of not reaching expectations set by Stakeholders Leadership Journey® Phase 5
- Fluctuations in currency exchange rates
- Litigation risks (product liability, patent infringement, commercial practices, employment, employment benefits, Personal Data Protection, 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, delays in investments ramp-ups, risk of disruption of operations and supply chain

These factors are discussed in more detail in the “Principal Risks and Uncertainties Related to Aperam and the Stainless and Specialty Steel Industry” section of our Annual Report 2023.

*Our annual Sustainability Report is issued ahead of the Annual General Meeting of shareholders and is available on Aperam's website [www.aperam.com](http://www.aperam.com) under the 'Sustainability' section. Below we highlight the key pillars of our Sustainability Roadmap.*

## 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.

Determined to be a leader in environmental excellence, we have one of the industry's best carbon footprints. We also strive to adopt best practices in terms of ethics, governance, employers' responsibility, 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 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 2024, with a strict implementation of our new H&S Paradigm. This paradigm consists out of 4 pillars: Just Culture, a 'No-Repeat' policy, Employee Involvement and physical & mental Well-Being.

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 2024, including Aperam Recycling, our LTIF rate was 1.7x compared to 2.7x in the first half of 2023. Focus had been placed on hand injuries, face protection, slip, trip & fall and machinery safety/isolation.

***More details on our social responsibility can be found in our Sustainability reports available on [www.aperam.com](http://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 and launched a new module to handle recruitment and boost internal mobility.

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](http://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 2023 for a complete overview. Aperam's Annual Report is available at [www.aperam.com](http://www.aperam.com) under the "Investors" > "Reports & Presentations" > "Financial Reports".

The purpose of the present section is solely to describe the events and changes affecting Aperam's corporate governance between December 31, 2023, and June 30, 2024.

## Corporate Governance

### Composition of the Board of Directors

On April 30, 2024 the Annual General Meeting of Shareholders approved the re-election of Mr. Sandeep Jalan as member of the Board of Directors of Aperam for a three year term. Please refer to the biographical information part of the shareholder meeting material available at [www.aperam.com](http://www.aperam.com) under the “Investors” > “Equity Investors” > “Annual General Meeting” > “30 April 2024 - 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 <sup>(2)</sup>	Date joined Board	Term expires
Mr. Lakshmi N. Mittal	Chairman of the Board of Directors	December 2010	May 2025
Dr Ros Rivaz <sup>(1)</sup>	Lead Independent Director	May 2020	May 2026
Mrs. Bernadette Baudier <sup>(4)</sup>	Director	May 2019	May 2025
Mr. Sandeep Jalan	Director	November 2020	April 2027
Mrs. Roberte Kesteman <sup>(1) (2)</sup>	Director	May 2022	May 2025
Mr. Alain Kinsch <sup>(2) (3)</sup>	Director	May 2020	May 2026
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 April 30, 2024 the Annual General Meeting authorised the Board of Directors to allocate up to 400,000 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 Annual General Meeting convening notice dated of 29 March 2024, as well as in an explanatory presentation available at [www.aperam.com](http://www.aperam.com) under the "Investors" > "Equity Investors" > "Annual General Meeting" > "30 April 2024 - General Meetings of Shareholders" ([Link](#)).

### Authorisation for cancellation of shares and reduction of issued share capital

On May 2, 2023, 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 February 11, 2022 and May 6, 2022, up to a maximum of 5,811,848 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.

On April 30, 2024, the Board of Directors confirmed that 5,811,848 shares have been acquired under the share buyback program and decided to cancel 4,852,118 own held shares and reduce accordingly the corporate issued share capital by an amount of EUR 25,425,098.31.-, in order to reduce from its amount of EUR 408,912,245.- back to EUR 383,487,146.69.-

### Cancellation of the shares

On May 23, 2024, 4,852,118 shares have been cancelled. This cancellation takes into account shares already purchased under the 2.5 millions share buyback program announced on 11 February 2022 under the authorisation given by the annual general meeting of shareholders held on 7 May 2019 (and under renewal of such authorisation at the May 4, 2022 annual general meeting of shareholders) and shares purchased under the 3.5 millions additional share buyback program announced on May 6, 2022 under the authorisation given by the annual general meeting of shareholders held on May 4, 2022. As a result of this cancellation, Aperam has 73,184,570 shares in issue (compared to 78,036,688 before the cancellation).

### 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](http://www.bourse.lu) and on the Company's website ([www.aperam.com](http://www.aperam.com)) under the "Investors" > "Equity Investors" > "Share Capital & Voting Rights" section ([Link](#)).

### 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](http://www.bourse.lu) and on [www.aperam.com](http://www.aperam.com) under "Investors" > "News & Contact" > "Managers' Transactions" section ([Link](#)).

## Our environmental responsibility

Aperam has a state-of-the art CO<sub>2</sub> footprint in the stainless steel industry<sup>1</sup>.

Our performance primarily stems from our European production route based on stainless steel scrap, combined with our Brazilian route relying solely on a eucalyptus-based charcoal that is responsibly produced by Aperam BioEnergia unit, as a renewable substitute for extractive coke. This already remarkably low footprint is further lightened with major yearly carbon removals operated by BioEnergia Brazilian sustainable forests.

As a result, 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, all the more so since we integrated the former ELG company as a major asset in our Aperam Recycling & Renewable Division.

In the first half of 2024, we announced a new development as part of our Renewables & Recycling strategy: Aperam BioEnergia, our FSC-certified forestry in Brazil, has partnered with Patch, a global platform connecting carbon credit buyers and sellers, to sell biochar-based carbon credits on the voluntary carbon market. Within the first semester, the new partnership already resulted in the sale of 15,000 metric tons of biochar carbon removal by leveraging co-products of our responsible forest management, fully in line with our circular economy credo (see Press Release here).

## 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, 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<sub>2</sub>e intensity reduction (scopes 1 +2) vs. 2015;**  
*This is a new effort on top of the previous target of 35% reduction realized 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%**

<sup>1</sup> 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<sub>2</sub>e 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<sub>2</sub> emissions than traditional blast furnaces.

But we aim to progress further, and we have been using an internal price of CO<sub>2</sub> since 2016 in order to incentivise the teams to integrate this aspect in every investment project and look for innovative solutions also addressing our scope 3 emissions (see for example the previous page with the Botanickel joint-venture). 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 CO<sub>2</sub> commitments, as evidenced by the 2023 Sustainability report published in April. Aperam recorded a 0.28tCO<sub>2</sub>e footprint in intensity (scope 1+2), down from 0.32 the year before, including the impact of the sequestration of our forest generated by our advanced R&D and forestry management (see hereafter).*



## BioEnergia and Carbon Sequestration

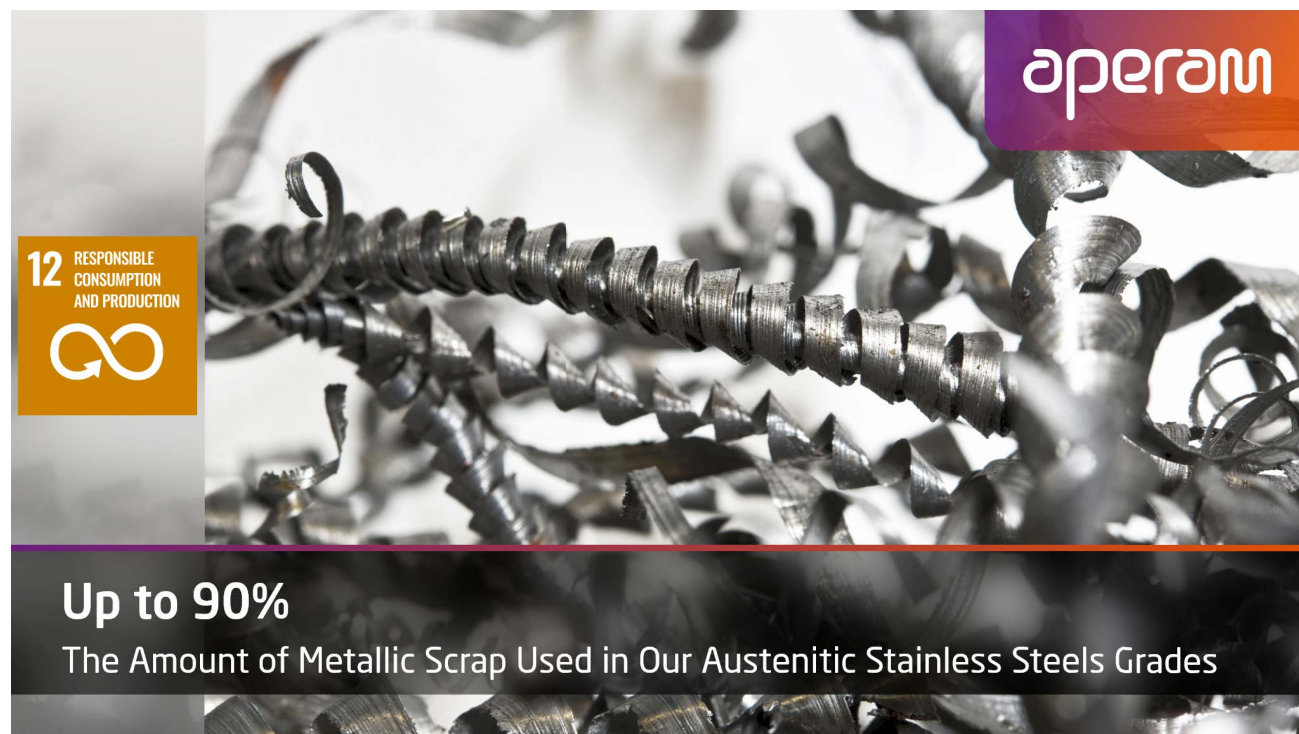
In Brazil, we have unique capability to produce stainless and specialty steel from low cost biomass (charcoal) produced by Aperam BioEnergia with the timber from its eucalyptus forests. The charcoal produced at BioEnergia is used in our steel-making process as a natural and renewable substitute for fossil fuels (coke). This allows us to entirely eradicate the use of extractive coke and makes our stainless steel a leader in terms of CO<sub>2</sub>e footprint (scope 1+2).

In addition, since 2021, we have had 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. In average, the impact of this yearly sequestration<sup>2</sup> stands between 40 and 50% of the total group Greenhouse Gas emissions (scope 1+2) and grants Aperam's South American production route a virtually net-zero GHG footprint 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, owing 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 BioEnergia, 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 decarbonisation of our steelmaking process.



### Scrap recycling and circular economy at the core of Aperam's growth strategy

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 European 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 upcycle such external wastes as tires and cans and we take part in the recycling loop for many other materials like electrodes and refractories.

In addition, thanks to the acquisition of ELG, now Aperam Recycling, we can increase our scrap ratio in our European Steel mills by producing special blends for grades that have constraints for elements like copper, cobalt, phosphorus, as well as for grades in which the final Nickel content is far above or below the proportion in normal stainless austenitic scrap. This allows us to align our innovation programs for better scrap sorting at our own mill sites, our customers' sites and at Aperam Recycling sites. The ultimate result will be better scrap quality, especially for high alloyed grades."

Overall, investing in sustainable recycling will further improve Aperam's leading environmental footprint and support the company's CO<sub>2</sub>e reduction targets. The transaction also enables Aperam to improve its input mix and to expand into the supply of raw materials

<sup>2</sup> including the sequestration operated by the Oikos park, in Timóteo.



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.

At our scrap yards, we monitor closely any radioactivity alerts and ensure our teams are trained to address any relevant anomaly.

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. Not only does it not contribute to deforestation whatsoever, in line with our policy, but it also: covers the protection and maintenance of large reservation areas of local flora, much beyond the local requirements, includes specific programs aiming at developing beekeeping activities amongst local communities and remains particularly attentive to the quality of the soil as a sound and balanced ecosystem.

In Europe, our main plants are mostly located in long-artificialised areas, but they initiated biodiversity assessment, elected mascots to raise awareness locally and strive to develop targeted protection programs with local experts.



### Provision of water- and 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 including biodiversity preservation. 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, 15 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](http://www.aperam.com), section "Sustainability" > "Essentials" > "Sustainability Reports" ([Link](#)).**



# 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, 2024, and to Note 24 to the Consolidated Financial Statements as of December 31, 2023, for further details.

# **Aperam, Société Anonyme**

## **Interim Condensed Consolidated Financial Statements as of and for the six months ended June 30, 2024**



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, 2024

**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 2024, 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, 2024, 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 31, 2024

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,	
	2024	2023
Sales (Note 2) (including 79 and 48 of sales to related parties in 2024 and 2023, respectively)	3,291	3,578
Cost of sales (Note 3) (including depreciation, amortisation and impairment loss of 117 and 95, and purchases from related parties of 207 and 216 for 2024 and 2023, respectively)	(3,118)	(3,292)
<b>Gross margin</b>	<b>173</b>	<b>286</b>
Selling, general and administrative expenses	(157)	(151)
<b>Operating income (Note 2)</b>	<b>16</b>	<b>135</b>
Loss from associates, joint ventures and other investments	(1)	(1)
Financing costs, net	(32)	86
<b>(Loss) / Income before taxes</b>	<b>(17)</b>	<b>220</b>
Income tax benefit / (expense) (Note 4)	58	(44)
<b>Net income (including non-controlling interests)</b>	<b>41</b>	<b>176</b>
Net income attributable to Equity holders of the parent	40	175
Net income attributable to Non-controlling interests	1	1
<b>Net income (including non-controlling interests)</b>	<b>41</b>	<b>176</b>
<b>Earnings per common share (in Euros):</b>		
Basic	0.56	2.43
Diluted	0.56	2.41
<b>Weighted average common shares outstanding (in thousands):</b>		
Basic	72,252	72,195
Diluted	72,789	72,722

*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,	
	2024	2023
<b>Net income (including non-controlling interests)</b>	<b>41</b>	<b>176</b>
<b>Items that cannot be reclassified to the consolidated statement of operations:</b>		
Remeasurement of defined benefit obligation during the period, net of tax expense of nil and nil for 2024 and 2023, respectively	—	(1)
<b>Items that can be reclassified to the consolidated statement of operations:</b>		
Cash flow hedges:		
Loss arising during the period, net of tax benefit of 4 and 4 for 2024 and 2023, respectively	(8)	(9)
Reclassification adjustments for loss / (gain) included in the consolidated statement of operations, net of tax (benefit) / expense of (3) and 3 for 2024	7	(10)
Total cash flow hedges	(1)	(19)
Exchange differences arising on translation of foreign operations, net of tax benefit of 4 and nil for 2024 and 2023, respectively	(110)	50
<b>Total other comprehensive (loss) / income</b>	<b>(111)</b>	<b>30</b>
<b>Total other comprehensive (loss) / income attributable to:</b>		
Equity holders of the parent	(111)	30
Non-controlling interests	—	—
<b>Total other comprehensive (loss) / income</b>	<b>(111)</b>	<b>30</b>
<b>Net comprehensive (loss) / income</b>	<b>(70)</b>	<b>206</b>
<b>Net comprehensive (loss) / income attributable to:</b>		
Equity holders of the parent	(71)	205
Non-controlling interests	1	1
<b>Net comprehensive (loss) / income</b>	<b>(70)</b>	<b>206</b>

*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, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	279	443
Restricted cash	3	3
Trade accounts receivable (including 25 and 5 from related parties at June 30, 2024 and December 31, 2023, respectively)	467	429
Inventories (Note 5)	2,218	2,281
Prepaid expenses and other current assets (Note 6)	128	111
Derivative financial current assets	23	23
Income tax receivable	9	9
<b>Total current assets</b>	<b>3,127</b>	<b>3,299</b>
<b>Non-current assets:</b>		
Goodwill and intangible assets	436	452
Biological assets	81	108
Property, plant and equipment	1,977	2,003
Investments in associates, joint ventures and other investments	7	8
Deferred tax assets	263	213
Derivative financial non-current assets	1	2
Income tax receivable	36	38
Other non-current assets	94	91
<b>Total non-current assets</b>	<b>2,895</b>	<b>2,915</b>
<b>Total assets</b>	<b>6,022</b>	<b>6,214</b>

*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, 2024	December 31, 2023
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Short-term debt including current portion of long-term debt (Note 7)	325	360
Trade accounts payable (including 47 and 36 from related parties at June 30, 2024 and December 31, 2023, respectively)	1,114	1,130
Short-term provisions	45	24
Accrued expenses and other liabilities (Note 8)	396	292
Derivative financial current liabilities	27	29
Income tax liabilities	11	16
<b>Total current liabilities</b>	<b>1,918</b>	<b>1,851</b>
<b>Non-current liabilities:</b>		
Long-term debt, net of current portion (Note 7)	561	574
Deferred tax liabilities	85	115
Employee benefits	152	153
Long-term provisions	50	55
Derivative financial non-current liabilities	2	2
Other long-term obligations	11	14
<b>Total non-current liabilities</b>	<b>861</b>	<b>913</b>
<b>Total liabilities</b>	<b>2,779</b>	<b>2,764</b>
<b>Equity (Note 8):</b>		
Common shares (no par value, 82,957,953 and 87,810,071 shares authorised, 73,184,570 and 78,036,688 shares issued and 72,288,277 and 72,249,207 shares outstanding as of June 30, 2024 and December 31, 2023, respectively)	383	409
Treasury shares (896,293 and 5,787,481 common shares as of June 30, 2024 and December 31, 2023, respectively)	(30)	(194)
Share premium	870	1,005
Retained earnings	2,722	2,821
Other comprehensive loss	(710)	(599)
<b>Equity attributable to the equity holders of the parent</b>	<b>3,235</b>	<b>3,442</b>
Non-controlling interests	8	8
<b>Total equity</b>	<b>3,243</b>	<b>3,450</b>
<b>Total liabilities and equity</b>	<b>6,022</b>	<b>6,214</b>

*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)

	Shares <sup>(1)</sup>	Accumulated other Comprehensive Income / (Loss)								Equity attributable to the equity holders of the parent	Non-controlling interests	Total Equity
		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)			
<b>Balance at January 1, 2023</b>	<b>72,184</b>	<b>419</b>	<b>(296)</b>	<b>1,095</b>	<b>2,742</b>	<b>(618)</b>	<b>19</b>	<b>—</b>	<b>24</b>	<b>3,385</b>	<b>7</b>	<b>3,392</b>
Net income	—	—	—	—	175	—	—	—	—	175	1	176
Other comprehensive income / (loss)	—	—	—	—	—	50	(19)	—	(1)	30	—	30
Total comprehensive income / (loss)	—	—	—	—	175	50	(19)	—	(1)	205	1	206
Recognition of share based payments	65	—	2	—	—	—	—	—	—	2	—	2
Dividends	—	—	—	—	(144)	—	—	—	—	(144)	(1)	(145)
Cancellation of shares (Note 9)	—	(10)	100	(90)	—	—	—	—	—	—	—	—
Other movements	—	—	—	—	8	—	—	—	—	8	—	8
<b>Balance at June 30, 2023</b>	<b>72,249</b>	<b>409</b>	<b>(194)</b>	<b>1,005</b>	<b>2,781</b>	<b>(568)</b>	<b>—</b>	<b>—</b>	<b>23</b>	<b>3,456</b>	<b>7</b>	<b>3,463</b>
<b>Balance at January 1, 2024</b>	<b>72,249</b>	<b>409</b>	<b>(194)</b>	<b>1,005</b>	<b>2,821</b>	<b>(612)</b>	<b>(3)</b>	<b>1</b>	<b>15</b>	<b>3,442</b>	<b>8</b>	<b>3,450</b>
Net income	—	—	—	—	40	—	—	—	—	40	1	41
Other comprehensive loss	—	—	—	—	—	(110)	(1)	—	—	(111)	—	(111)
Total comprehensive income / (loss)	—	—	—	—	40	(110)	(1)	—	—	(71)	1	(70)
Recognition of share based payments	39	—	3	—	(1)	—	—	—	—	2	—	2
Dividends	—	—	—	—	(144)	—	—	—	—	(144)	(1)	(145)
Cancellation of shares (Note 9)	—	(26)	161	(135)	—	—	—	—	—	—	—	—
Other movements	—	—	—	—	6	—	—	—	—	6	—	6
<b>Balance at June 30, 2024</b>	<b>72,288</b>	<b>383</b>	<b>(30)</b>	<b>870</b>	<b>2,722</b>	<b>(722)</b>	<b>(4)</b>	<b>1</b>	<b>15</b>	<b>3,235</b>	<b>8</b>	<b>3,243</b>

<sup>(1)</sup> 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	
	2024	2023
<b>Operating activities:</b>		
Net income (including non-controlling interests)	41	176
<b>Adjustments to reconcile net income to net cash provided by operations and payments:</b>		
Depreciation and amortisation	114	95
Impairment	3	—
Net interest expense	14	6
Income tax (benefit) / expense (Note 4)	(58)	44
Net write-downs of inventories to net realisable value (Note 5)	2	85
Labour agreements and separation plans	8	1
Change in fair value of biological assets	(2)	(2)
Unrealised gains on derivative instruments	(3)	(60)
Other	(44)	(80)
<b>Changes in assets and liabilities that provided (required) cash:</b>		
Trade accounts receivable	(31)	(38)
Trade accounts payable	(20)	(22)
Inventories	63	39
VAT and other amounts receivable from authorities	20	2
Other movements on accruals and provisions	(9)	(12)
Interest paid	(22)	(18)
Interest received	11	14
Income taxes paid	(12)	(29)
<b>Net cash provided by operating activities</b>	<b>75</b>	<b>201</b>
<b>Investing activities:</b>		
Purchase of property, plant and equipment and intangible assets (CAPEX)	(103)	(102)
Purchase of biological assets and other investing activities, (net)	(2)	(13)
<b>Net cash used in investing activities</b>	<b>(105)</b>	<b>(115)</b>
<b>Financing activities:</b>		
Proceeds from short-term debt	16	40
Payments of short-term debt	(62)	(51)
Payments of long term debt	—	(24)
Dividends paid	(73)	(72)
Repayment of principal portion of lease liabilities	(8)	(8)
<b>Net cash used in financing activities</b>	<b>(127)</b>	<b>(115)</b>
Effect of exchange rate changes on cash and cash equivalents	(7)	1
Net decrease in cash and cash equivalents	(164)	(28)
<b>Cash and cash equivalents :</b>		
At the beginning of the period	443	457
At the end of the period	279	429

*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:** Segment reporting

**Note 3:** Cost of sales

**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:** Accrued expenses and other current liabilities

**Note 9:** Equity

**Note 10:** Financial Instruments

**Note 11:** Commitments

**Note 12:** Contingencies

**Note 13:** 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" (or "the Group"). 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, 2024 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 of December 31, 2023.

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, 2023, except for the adoption of new and amended IFRS Accounting Standards as set out below.

The group has applied the following amendments for the first time from 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

As a result of the adoption of the amendments to IAS 1, the group changed its accounting policy for the classification of borrowings:

"Borrowings are classified as current liabilities unless at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period."

This new policy did not result in a change in the classification of the Company's borrowings. The group did not make retrospective adjustments as a result of adopting the amendments to IAS 1.

The preparation of financial statements in conformity with IFRS Accounting Standards 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: SEGMENT REPORTING

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

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

<i>(in millions of Euros)</i>	<b>Stainless &amp; Electrical Steel</b>	<b>Services &amp; Solutions</b>	<b>Alloys &amp; Specialties</b>	<b>Recycling &amp; Renewables</b>	<b>Others / Eliminations<sup>(1)</sup></b>	<b>Total</b>
<b>Six months ended June 30, 2024</b>						
Sales to external customers	1,013	1,210	512	556	—	3,291
Intersegment sales <sup>(2)</sup>	1,067	44	8	483	(1,602)	—
Operating income / (loss)	2	24	37	(8)	(39)	16
Depreciation, amortisation and impairment	(55)	(7)	(8)	(46)	(1)	(117)
EBITDA <sup>(3)</sup>	57	31	45	38	(38)	133
Capital expenditures <sup>(4)</sup>	(63)	(9)	(16)	(15)	—	(103)

<i>(in millions of Euros)</i>	<b>Stainless &amp; Electrical Steel</b>	<b>Services &amp; Solutions</b>	<b>Alloys &amp; Specialties</b>	<b>Recycling &amp; Renewables</b>	<b>Others / Eliminations<sup>(1)</sup></b>	<b>Total</b>
<b>Six months ended June 30, 2023</b>						
Sales to external customers	1,233	1,168	463	713	1	3,578
Intersegment sales <sup>(2)</sup>	1,050	42	7	378	(1,477)	—
Operating income / (loss)	81	(1)	23	43	(11)	135
Depreciation and amortisation	(51)	(7)	(5)	(31)	(1)	(95)
EBITDA <sup>(3)</sup>	132	6	28	74	(10)	230
Capital expenditures <sup>(4)</sup>	(69)	(8)	(14)	(11)	—	(102)

**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) EBITDA is defined as operating income / (loss) before amortisation and depreciation expenses and impairment losses.
- (4) Capital expenditures (CAPEX) are defined as purchases of property plant and equipments and intangible assets.

The reconciliation from operating income regularly provided to the CODM to net income is as follows:

<i>(in millions of Euros)</i>	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating income</b>	<b>16</b>	<b>135</b>
Loss from associates, joint ventures and other investments	(1)	(1)
Financing costs, net	(32)	86
<b>(Loss) / Income before taxes</b>	<b>(17)</b>	<b>220</b>
Income tax benefit / (expense)	58	(44)
<b>Net income (including non-controlling interests)</b>	<b>41</b>	<b>176</b>

## NOTE 3: COST OF SALES

Cost of sales includes the following components:

*(in millions of Euros)*

	June 30, 2024	June 30, 2023
Materials	2,536	2,784
Payroll and employee related expenses	279	267
Transportation and storage expenses	140	118
Depreciation, amortisation and impairment	117	95
Other <sup>(1)</sup>	46	28
<b>Total</b>	<b>3,118</b>	<b>3,292</b>

Note:

(1) Other include payroll and employee related expenses related to temporary staff

## 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 result was a benefit of €58 million for the six months ended June 30, 2024 and an expense of €(44) million for the six months ended June 30, 2023. This change in income tax result for the six months ended June 30, 2024 is primarily due to the lower level of result before tax for the six months ended June 30, 2024, negative at €(17) million compared to €220 million for the six months ended June 30, 2023. The income tax result for the six months ended June 30, 2024 was positively impacted by the recognition of deferred tax assets on capital losses and the reversal of deferred tax liabilities in respect of uncertain tax positions on impairment losses and interest expenses recapture.

## NOTE 5: INVENTORIES

Inventories, net of provision for obsolescence, slow-moving inventories and excess of cost over net realisable value of €162 million and €194 million as of June 30, 2024 and December 31, 2023, respectively, are comprised of the following:

<i>(in millions of Euros)</i>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Finished products	576	654
Production in process	752	740
Raw materials	718	713
Manufacturing supplies, spare parts and other	172	174
<b>Total</b>	<b>2,218</b>	<b>2,281</b>

The amount of net write-down of inventories to net realisable value was €(2) million and €(85) million during the six months ended June 30, 2024 and 2023, respectively. The Company reversed previously recorded write-downs of €34 million and €79 million during the six months ended June 30, 2024 and 2023, respectively, due to normal inventory consumption. These movements were recognised in cost of sales in the interim condensed consolidated 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 €(2,695) million and €(2,820) million during the six months ended June 30, 2024, and 2023, respectively.

## NOTE 6: PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

<i>(in millions of Euros)</i>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Value added tax (VAT) and other amount receivable from tax authorities	85	75
Prepaid expenses and accrued receivables	29	22
Other	14	14
<b>Total</b>	<b>128</b>	<b>111</b>

## 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,	December 31
	2024	2023
Short-term bank loans and other credit facilities <sup>(1)</sup>	237	274
Current portion of long-term debt	70	70
Lease obligations	18	16
<b>Total</b>	<b>325</b>	<b>360</b>

Note:

(1) Including Commercial paper programme described below

### Short-term bank loans and other credit facilities

#### 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. The pricing of commercial papers is proposed to investors based on market expectations. In order to build the applicable interest rate of the commercial papers, Aperam considers benchmark interest rate plus a discretionary margin. The interest rate is proposed as all in rates for various maturities.

On June 30, 2024, an amount of €148 million was drawn under the Aperam NEU commercial paper programme at an interest rate range between 4.05% and 4.30% for the EUR denominated part (€135 million on December 31, 2023 at an interest rate range between 4.05% and 4.34% for the EUR denominated part and 5.84% for the USD denominated part).

#### €500m 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. The Facility is for general corporate purposes. The pricing of this financing contract 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.

On January 31, 2024, Aperam confirmed the extension of the maturity of the sustainably linked senior unsecured revolving credit facility of €500 million by one year, until February 9, 2029.

The Facility contains a financial covenant being a maximum consolidated total debt of 90% of consolidated tangible net worth. On June 30, 2024, this financial covenant was fully met.

On June 30, 2024 and December 31, 2023, the Facility was not drawn.

#### €200m Unsecured revolving credit facility

On September 26, 2023, Aperam entered into a 3+1 years sustainably linked senior unsecured revolving credit facility (“The Facility”) of €200 million with a syndicate of 7 banks. The Facility is for the repayment of amounts outstanding under the existing financial indebtedness, together with any breakage costs and other costs and expenses payable in connection with such repayment and for general corporate purposes.

The Facility contains a financial covenant being a maximum consolidated total debt of 90% of consolidated tangible net worth. On June 30, 2024, this financial covenant was fully met.

On June 30, 2024, an amount of €75 million was drawn under the Facility at an interest rate of 4.8% (€120 million on December 31, 2023 at an interest rate range between 4.67% and 4.76%).

Long-term debt is comprised of the following:

<i>(in millions of Euros)</i>	<b>Year of maturity</b>	<b>Type of Interest</b>	<b>Interest rate<sup>(1)</sup></b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Corporate</b>					
Term facility	2026-2028	Fixed	1.52%	299	299
EIB loan 1	2024-2028	Fixed	1.669%	27	27
EIB loan 2	2024-2029	Fixed	1.307%	63	75
EIB loan 3	2024-2031	Fixed	0.88%	75	75
Schuldscheindarlehen	2024-2026	Fixed	1.20% - 1.50%	82	82
Other debt	n/a	n/a	n/a	1	2
<b>Total</b>				<b>547</b>	<b>560</b>
Lease obligations				102	100
Less current portion of long-term debt				(70)	(70)
Less current portion of lease obligations <sup>(2)</sup>				(18)	(16)
<b>Total long-term debt, net of current portion</b>				<b>561</b>	<b>574</b>

Note:

(1) Rates applicable to balances outstanding as of June 30, 2024.

#### *Fixed Rate Term facility*

On February 11, 2022, Aperam announced having entered into a 6 years sustainably linked amortising fixed rate term facility of €300 million with a syndicate of 10 banks ("The Loan"). The Loan is dedicated to the refinancing of maturing debts of ELG. The pricing of this financing contract is fixed but 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 Loan contain a financial covenant being a maximum consolidated total debt of 90% of consolidated tangible net worth. On June 30, 2024, this financial covenant was fully met.

The Loan was fully drawn as of June 30, 2024 and December 31, 2023.

#### *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% 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%, 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 made 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.

As of June 30, 2024, €165 million was outstanding on these EIB loans (€177 million as of December 31, 2023).

#### *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 order book, 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.

On March 27, 2023, in accordance with §489 subsection (1) of the German Civil Code ("*Bürgerliches Gesetzbuch*"), the Company called €40 million *Schuldscheindarlehen* for early repayment at its nominal amount plus interest accrued which resulted in full repayment of the floating part.

As of June 30, 2024, €82 million was outstanding on this *Schuldscheindarlehen* (€82million as of December 31, 2023).

## NOTE 8: ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses were comprised of the following as of::

<i>(in millions of Euros)</i>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Accrued payroll and employee related expenses	148	148
Dividend payable	73	—
VAT and other amounts due to public authorities	62	31
Payables for acquisition of intangible assets & property plant & equipment	53	69
Unearned revenue and accrued payables	17	15
Accrued interests	4	2
Other creditors	39	27
<b>Total</b>	<b>396</b>	<b>292</b>

## NOTE 9: EQUITY

### Authorised shares

On May 23, 2024, and in accordance with the resolution of the Extraordinary General Meeting held on May 2, 2022, the Company decreased its authorised share capital by €25,425,098, equivalent to 4,852,118 shares. Following this decrease, the total authorised share capital (including its issued share capital) was €434,699,635 represented by 82,957,953 shares without nominal value.

### Share capital

On December 31, 2023, the share capital amounted to €408,912,245, represented by an aggregate number of 78,036,688 shares issued and fully paid up. The amount of shares outstanding was 72,249,207, with no par value, for a total amount of €379 million.

On May 23, 2024, the Company cancelled 4,852,118 treasury shares. The share capital decreased consequently from €408,912,245 to €383,487,147.

On June 30, 2024, the Company has 73,184,570 shares issued and 72,288,277 shares outstanding, with no par value, for a total amount of €379 million.

### Treasury shares

#### *Share unit plans*

In June 2024, a total of 39,070 shares were allocated to qualifying employees under the PSU and RSU plans granted in June 2021.

Aperam held 896,293 and 5,787,481 treasury shares as of June 30, 2024 and December 31, 2023, respectively.

### Dividends

On May 2, 2023, the shareholders approved, at the 2023 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.

On April 30, 2024, the shareholders approved, at the 2024 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 10: 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, 2024.

(in millions of Euros)	Assets/Liabilities at fair value						
	Carrying amount in statements 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
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	279	—	279	—	—	—	—
Restricted cash	3	—	3	—	—	—	—
Trade accounts receivable	467	31	436	—	—	—	—
Inventories	2,218	2,218		—	—	—	—
Prepaid expenses and other current assets	128	85	43	—	—	—	—
Derivative financial current assets	23	—	—	—	—	—	23
Income tax receivable	9	9	—	—	—	—	—
<b>Total current assets</b>	<b>3,127</b>	<b>2,343</b>	<b>761</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>23</b>
<b>Non-current assets:</b>							
Goodwill and intangible assets	436	436	—	—	—	—	—
Biological assets	81	—	—	—	81	—	—
Property, plant and equipment	1,977	1,977	—	—	—	—	—
Investments in associates and joint ventures	4	4	—	—	—	—	—
Other investments	3	—	—	—	—	3	—
Deferred tax assets	263	263	—	—	—	—	—
Derivative financial non-current assets	1	—	—	—	—	—	1
Other non-current assets	130	74	56	—	—	—	—
<b>Total non-current assets</b>	<b>2,895</b>	<b>2,754</b>	<b>56</b>	<b>—</b>	<b>81</b>	<b>3</b>	<b>1</b>
<b>Total assets</b>	<b>6,022</b>	<b>5,097</b>	<b>817</b>	<b>—</b>	<b>81</b>	<b>3</b>	<b>24</b>
<b>LIABILITIES AND EQUITY</b>							
<b>Current liabilities:</b>							
Short-term debt and current portion of long-term debt	325	—	—	325	—	—	—
Trade accounts payable	1,114	17	—	1,097	—	—	—
Short-term provisions	45	45	—	—	—	—	—
Accrued expenses and other liabilities	396	62	—	334	—	—	—
Derivative financial current liabilities	27	—	—	—	—	—	27
Income tax liabilities	11	11	—	—	—	—	—
<b>Total current liabilities</b>	<b>1,918</b>	<b>135</b>	<b>—</b>	<b>1,756</b>	<b>—</b>	<b>—</b>	<b>27</b>
<b>Non-current liabilities:</b>							
Long-term debt, net of current portion	561	—	—	561	—	—	—
Deferred tax liabilities	85	85	—	—	—	—	—
Employee benefits	152	152	—	—	—	—	—
Long-term provisions	50	50	—	—	—	—	—
Derivative financial non-current liabilities	2	—	—	—	—	—	2
Other long-term obligations	11	—	—	11	—	—	—
<b>Total non-current liabilities</b>	<b>861</b>	<b>287</b>	<b>—</b>	<b>572</b>	<b>—</b>	<b>—</b>	<b>2</b>
<b>Equity:</b>							
Equity attributable to the equity holders of the parent	3,235	3,235	—	—	—	—	—
Non-controlling interests	8	8	—	—	—	—	—
<b>Total equity</b>	<b>3,243</b>	<b>3,243</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total liabilities and equity</b>	<b>6,022</b>	<b>3,665</b>	<b>—</b>	<b>2,328</b>	<b>—</b>	<b>—</b>	<b>29</b>

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

		As of June 30, 2024			
		Level 1	Level 2	Level 3	Total
<i>(in millions of Euros)</i>					
<b>Assets at fair value:</b>					
Biological assets		—	—	81	81
Investments in associates, joint ventures and other investments		—	—	3	3
Derivative financial assets		—	24	—	24
<b>Total assets at fair value</b>		<b>—</b>	<b>24</b>	<b>84</b>	<b>108</b>
<b>Liabilities at fair value:</b>					
Derivative financial liabilities		—	29	—	29
<b>Total liabilities at fair value</b>		<b>—</b>	<b>29</b>	<b>—</b>	<b>29</b>

		As of December 31, 2023			
		Level 1	Level 2	Level 3	Total
<i>(in millions of Euros)</i>					
<b>Assets at fair value:</b>					
Biological assets		—	—	108	108
Investments in associates, joint ventures and other investments		—	—	3	3
Derivative financial assets		—	25	—	25
<b>Total assets at fair value</b>		<b>—</b>	<b>25</b>	<b>111</b>	<b>136</b>
<b>Liabilities at fair value:</b>					
Derivative financial liabilities		—	31	—	31
<b>Total liabilities at fair value</b>		<b>—</b>	<b>31</b>	<b>—</b>	<b>31</b>

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 market participant would pay or receive for the contract 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.

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 determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. These risks in respect of climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

At present, the impact of climate-related matters is not material to the Group's interim condensed consolidated financial statements.

The following tables summarised the reconciliation of the fair value of the Investments in associates, joint ventures and other investment classified as Level 3 for the six-months ending June 30, 2024 :

<i>(in millions of Euros)</i>	<b>Equity instruments at fair value through OCI</b>	<b>Investments accounted for under equity method</b>	<b>Total</b>
<b>Balance as of January 1, 2024</b>	3	5	8
Additions	—	—	—
Equity method result	—	(1)	(1)
Change in fair value <sup>(1)</sup>	—	—	—
<b>Balance as of June 30, 2024</b>	<b>3</b>	<b>4</b>	<b>7</b>

Note:

(1) Recognised in other comprehensive income / (loss) in the consolidated statement of changes in equity.

The reconciliation of changes in the carrying value of biological assets between the beginning of the year and June 30 is as follows:

<i>(in millions of Euros)</i>	<b>Biological assets</b>
<b>Balance at January 1, 2023</b>	<b>51</b>
Additions <sup>(1)</sup>	36
Change in fair value <sup>(2)</sup>	2
Harvested trees	(14)
Foreign exchange differences	2
<b>Balance at June 30, 2023</b>	<b>77</b>
<b>Balance at January 1, 2024</b>	<b>108</b>
Additions	7
Change in fair value <sup>(2)</sup>	2
Harvested trees <sup>(3)</sup>	(26)
Foreign exchange differences	(10)
<b>Balance at June 30, 2024</b>	<b>81</b>

(1) On June 7, 2023, the Company purchased additional trees in Brazil to further expand its charcoal production.

(2) Recognised in cost of sales in the interim condensed consolidated statements of operations.

(3) Recognised within "depreciation, amortisation and impairment loss" 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, 2024, is as follows:

	Assets		Liabilities	
	Notional Amount	Fair Value	Notional Amount	Fair Value
<i>(in millions of Euros)</i>				
<b>Foreign exchange rate instruments</b>				
Forward purchase contracts	606	8	106	(2)
Forward sale contracts	156	1	866	(9)
<b>Total foreign exchange rate instruments</b>		<b>9</b>		<b>(11)</b>
<b>Raw materials (base metal)</b>				
Term contracts sales metals	140	14	19	(1)
Term contracts purchases metals	34	1	148	(16)
<b>Total raw materials (base metal)</b>		<b>15</b>		<b>(17)</b>
<b>Interest rate instruments</b>				
Interest rate swaps	—	—	150	(1)
<b>Total interest rate instruments</b>		<b>—</b>		<b>(1)</b>
<b>Total</b>		<b>24</b>		<b>(29)</b>

The portfolio associated with derivative financial instruments classified as Level 2 as of December 31, 2023, is as follows:

	Assets		Liabilities	
	Notional Amount	Fair Value	Notional Amount	Fair Value
<i>(in millions of Euros)</i>				
<b>Foreign exchange rate instruments</b>				
Forward purchase contracts	67	2	428	(8)
Forward sale contracts	361	12	289	(2)
<b>Total foreign exchange rate instruments</b>		<b>14</b>		<b>(10)</b>
<b>Raw materials (base metal)</b>				
Term contracts sales metals	94	11	13	—
Term contracts purchases metals	21	—	111	(19)
<b>Total raw materials (base metal)</b>		<b>11</b>		<b>(19)</b>
<b>Interest rate instruments</b>				
Interest rate swaps	—	—	120	(2)
<b>Total interest rate instruments</b>		<b>—</b>		<b>(2)</b>
<b>Total</b>		<b>25</b>		<b>(31)</b>

## NOTE 11: 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, credit lines and other types of contracts.

### Commitments given

*(in millions of Euros)*

	June 30, 2024	December 31, 2023
Commitments related to purchases of raw materials and energy	815	999
Guarantees, pledges and other collateral	305	264
Capital expenditure commitments	37	64
<b>Total</b>	<b>1,157</b>	<b>1,327</b>



## NOTE 12: CONTINGENCIES

The Company is defendant 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 26 to the consolidated financial statements as of and for the year ended December 31, 2023. Changes in contingencies since December 31, 2023, are described below:

## Tax Claims

On June 24, 2014, Aperam BioEnergia received a tax assessment from the Federal Revenue Service related to corporate income tax ("IRPJ" and "CSLL") due to disallowance of previous tax losses compensation made by the Company in 2011. The actualised amount under discussion is R\$113 million (€19.0 million). On December 10, 2015, Aperam BioEnergia received a partially favourable decision. The Company and the Federal Revenue appealed to the Administrative Tax Court. In May 2017, both appeals were denied. The Company presented a motion for clarification of the court decision that was denied in October 2017. The case was brought to the judicial level in November 2022 and the amount at stake was increased due to legal fees. In January 2023, the Company requested the suspension of the enforcement of the first decision as the debt has been guaranteed and is being discussed in an annulment lawsuit. In April 2023 an order to present a stay of execution was notified. The Company presented a motion for clarification and in June 2023 the Company presented a stay of execution that was issued on May 6, 2024, to suspend the enforcement of the first instance decision.

## NOTE 13: SUBSEQUENT EVENTS

There were no subsequent events after June 30, 2024, except for those already mentioned in the notes.



## **Report on Review of Interim Condensed Consolidated Financial Statements**

To the Shareholders of  
**Aperam S.A.**

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We have reviewed the accompanying interim condensed consolidated financial statements of Aperam S.A. (the "Company") and its subsidiaries (the "Group"), which comprise the interim condensed consolidated statement of financial position as at 30 June 2024, 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 other explanatory information.

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### **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.

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### **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.

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.



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**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  
Represented by

Luxembourg, 31 July 2024

Gilles Vanderweyen



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For more information, please visit our website:  
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Aperam is the first stainless steel company  
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and the Americas.