

MEDIA RELEASE

28 January 2021

**ARCELORMITTAL SOUTH AFRICA'S ELECTRIC ARC FURNACE IN VEREENIGING
TO INCREASE STEEL PRODUCTION**

Johannesburg, 28 January 2021: ArcelorMittal South Africa will increase output from its electric arc furnace (EAF) in Vereeniging (the Vaal Meltshop) in the short term with the possibility of staying at these higher levels if warranted by future demand.

The unexpected and sudden increase in demand in South Africa and Africa overland markets, and the associated supply chain shortages, led to the decision by ArcelorMittal South Africa to continue the Vaal Meltshop operations, which were originally scheduled to be placed under care and maintenance at the end of December 2020.

“We are employing all our resources to address the current steel shortages and the Vaal Meltshop will go a long way in addressing the low supply chain stock levels in the Long Products markets,” said Kobus Verster, Chief Executive Officer of ArcelorMittal South Africa.

The Vereeniging operation has been running at about half its capacity in recent years and pushing this to full capacity would mean a significant increase in billet production. This will be used for specialty input material to the Gauteng operations, including Leeuwkuil Mill, tubular products, the forge operations and the small section mill in Tshwane. It will also help reduce the production requirements from the company's Newcastle operations, which in turn will ensure more steel can be supplied to its long steel customers.

Had the Vaal Meltshop been placed in care and maintenance, there would potentially have been 85 jobs lost at ArcelorMittal South Africa whereas these jobs can now be retained and there is the possibility that an additional 30 people could be employed to run the plant at full capacity. Continued contracts will also ensure that potential job losses can be avoided at service providers.

The Vaal Meltshop underwent extensive maintenance during December to ensure the plant remains reliable when production levels are increased. The volumes of critical consumables have also been increased to mitigate the risk of supply shortages that might influence the operations. The team is confident that they can be in full operation towards the second half of February 2021.

“With the Vaal Meltshop fully operational and supplementing our three blast furnaces in Newcastle and Vanderbijlpark, we expect that we will be more than able to meet the steel requirements in South Africa and neighbouring countries in the coming months,” says Kobus Verster, Chief Executive Officer of ArcelorMittal South Africa.

Contacts:

ArcelorMittal South Africa:

Tami Didiza, Group Manager: Stakeholder Management and Communication

083 298 1608

Tami.didiza@arcelormittal.com

Aprio Strategic Communications (on behalf of ArcelorMittal SA):

Tracey Peterson

083 408 7173

tracey@aprio.co.za