made for life

Infinite World-Changing Materials

Annual Report | 2024

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Glossary

This Annual Report includes Alternative Performance Measures (APM), which are non-GAAP (generally accepted accounting principles) financial figures. Aperam believes these APMs are needed to enhance the understanding of its financial position and to provide investors and management with additional information regarding the Company’s financial performance, capital structure and credit assessment. The definition of these APMs have not changed since the Company was founded. These non-GAAP financial measures should be read in conjunction with, and not as an alternative to, Aperam’s financial information prepared in accordance with International Financial Reporting Standards (IFRS). Such non-GAAP measures may not be comparable to similarly titled measures used by other companies. Aperam’s APMs are detailed in the Operational Review section found later in the Report.

Financial Measures:

- **Adjusted EBITDA:** operating income[1] before depreciation[1], amortisation[1], impairment expenses[1] and exceptional items[1]
- **EBITDA:** operating income[1] before depreciation[1], amortisation[1] and impairment expenses[1]
- **Exceptional items:** (i) inventory write-downs equal to or exceeding 10% of total related inventory 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
- **Financial statements:** financial statements for the year ending on 31 December 2024 unless otherwise stated
- **Free cash flow before dividend and share buy-back:** the net cash provided by operating activities[1] less net cash used in investing activities[1]
- **Gearing:** net financial debt divided by equity[1]
- **Net financial debt (NFD):** long-term debt[1] plus short-term debt[1], less cash and cash equivalents[1] (including short-term investments)[1]

Other terms used in this Annual Report:

- **Absenteeism rate:** number of hours of absence for illness less than six months divided by the number of theoretical to-be-worked hours
- **Annealing:** process of heating cold steel to make it more suitable for bending and shaping and to prevent breaking and cracking
- **Austenitic stainless steel:** a steel alloy containing at least 16% chromium, where other alloying elements (usually nickel, sometimes manganese or nitrogen) are added to obtain an austenitic crystalline structure
- **Bright annealing:** final annealing lines (with an oven) with a reducing atmosphere that produces a bright annealed finish
- **Brownfield project :** expansion of an existing operation
- **Carbon steel scrap:** recycled carbon steel that is re-melted and recast into new steel
- **Cold rolling:** forming method employed after hot rolling
- **Downstream:** finishing operations. For example, in the case of flat products, the downstream would be the operations after the production of hot-rolled coil

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

- **EU ETS:** EU Emissions Trading System
- **Ferritic steel**: stainless steel grades with low/no nickel content
- **GHG:** Greenhouse Gas emissions
- **Greenfield project:** development of a new project
- **IFRS:** International Financial Reporting Standards as adopted in the European Union
- **Lost Time Injury Frequency rate** (LTIF)**:** metric that measures the time lost due to injuries per 1,000,000 worked hours
- **Pickling:** process where steel coils are cleaned using chemical baths to remove impurities, such as rust, dirt and oil
- **Production capacity:** annual production capacity of a plant and equipment based on existing technical parameters as estimated by management
- **R$ / BRL:** Brazilian Real converted into € using the closing exchange rate of €1= R$5.3516 as of 31 December 2024
- **Sales:** include shipping and handling fees and costs billed to a customer in a sales transaction
- **Scopes 1, 2 and 3:** various types of Greenhouse Gas emissions. When calculating a carbon footprint, three types of emissions are differentiated:
    - Scope 1 emissions are direct emissions produced by the burning of fuels of the emitter;
    - Scope 2 emissions are indirect emissions generated by the electricity consumed and purchased by the emitter;
    - Scope 3 covers indirect emissions generated by the emitter activity but owned, controlled and reported by a different emitter than the one reporting on the emissions.
- **Significant shareholder:** trusts (HSBC Trust (C.I.) Limited, as trustee) of which Mr. Lakshmi N. Mittal, Ms. Usha Mittal and their children are the beneficiaries, holding Aperam shares through Value Holdings II Sàrl, a limited liability company organised under the laws of Luxembourg (Value Holdings II)
- **Slabs:** compact blocks of crude steel (usually a product of the casting process in steel mills), that are used as a pre-product in hot rolling mills to produce hot rolled coils or strips
- **Spin-off:** transfer of the assets comprising ArcelorMittal’s stainless and specialty steels businesses from its carbon steel and mining businesses to Aperam, and the pro rata allocation of the ordinary shares of Aperam to ArcelorMittal shareholders
- **Stainless steel scrap:** recycled stainless steel materials that are re-melted and cast into new steel
- **Steckel mill**: reversing steel sheet reduction mills with heated coil boxes at each end where steel strip is sent through the rolls of the reversing mill and then coiled at the end of the mill, reheated in the coil box and then sent back through the steckel stands where they are recoiled
- **Tonnes:** metric tonnes used in measurements involving stainless and specialty steel products (a metric tonne is equal to 1,000 kilograms or 2,204.62 pounds)
- **U.S.$ / USD:** U.S. dollars converted into € using the closing exchange rate of €1= U.S.$1.1050 as of 31 December 2024
- **Upstream:** operations that precede downstream steel-making, such as coke, sinter, blast furnaces, electric arc furnaces, casters and hot rolling/steckel mills

Management Report

About Us

Message from the Chairman of the Board of Directors

Dear Shareholders,

Our Annual Report seeks to provide a clear and comprehensive view of how Aperam is creating and preserving value in a sustainable, responsible, and forward-looking way. Through this report, we share our performance against key strategic priorities, our progress on decarbonization, and our commitment to operational excellence, safety, and innovation. We also aim to reflect the issues most material to our stakeholders, and how we are addressing both current and long-term challenges and opportunities.

2024 was a year of significant transformation for Aperam. Amidst persistent geopolitical uncertainty and a less robust global recovery than anticipated, our company remained focused and resilient. We reported sales of €6.255 billion, EBITDA of €358 million, and shipments of 2.3 million tonnes this year. Thanks to the strength of our integrated model, operational discipline, and a continued emphasis on value-added products, we delivered solid results despite a complex macroeconomic environment. Our performance reaffirms the strength of our strategy and our ability to adapt, innovate, and grow sustainably.

Safety remains one of our most deeply held values, and we continue to strive toward our goal of zero harm. I am pleased to report that we achieved further progress in 2024, with an improvement in our lost time injury frequency rate. While we take pride in this progress, we remain acutely aware that safety is a continuous journey. The Board fully supports management's ongoing efforts to build a culture of risk prevention, with robust processes, transparent reporting, and a shared commitment to protect the well-being of every employee.

At the core of Aperam lies a powerful vision—to lead as a value creator in the circular economy of Infinite, world-changing materials. In 2024, we reinforced this vision with the expansion of our Infinite product line, focused on delivering low-carbon, recycled-based stainless material. This new line reflects our commitment to combining sustainability with performance, responding to growing customer demand for responsible solutions. Across our fully integrated value chain, from sourcing to manufacturing to recycling, we are building a business that not only meets today's needs, but helps shape tomorrow's solutions.

A key milestone in our transformation journey in 2024 was the acquisition of Universal Stainless & Alloy Products in the United States. This strategic move significantly strengthens our footprint in high-value alloy segments, enhancing both Aperam's diversification and resilience. More than just an expansion, it represents a pivotal step in reinforcing our fully integrated approach to value creation. Building on the foundation we have established upstream through ELG, we are realizing a model where our Recycling business secures a stable and sustainable supply of raw materials, which are then transformed by our advanced manufacturing capabilities into high-quality stainless and specialty alloys. The addition of Universal Stainless & Alloy Products Inc. consolidates this model further, giving us greater control over the entire value chain—from recycled input to high-performance output—while extending our reach into critical markets such as aerospace.

At the heart of this approach lies our integrated and circular value chain—from our FSC®-certified forestry operations, which act as a natural carbon sink, to our cutting-edge manufacturing and our industry-leading recycling and reprocessing capabilities. Our forests are not simply a renewable resource; they are a core pillar of our decarbonization strategy, enabling biological carbon sequestration that directly supports our emissions reduction efforts. We are committed to leveraging our own renewable assets to drive authentic, self-sufficient decarbonization. As we enter the integration phase, the Board remains closely engaged in ensuring that every strategic decision aligns with our long-term vision—one that prioritizes sustainability, operational excellence, and financial discipline to create enduring value for our shareholders.

Another cornerstone of our long-term strategy is decarbonization. In 2024, we enhanced our roadmap by incorporating Scope 3 emissions into our reduction targets. This evolution reflects our commitment to managing the full climate impact of our operations, and to building more sustainable partnerships across our supply chain. Our integrated value chain is uniquely positioned to support this ambition. From our FSC®-certified forests that enable natural carbon sequestration, to our use of biomass in Brazil, to our growing portfolio of low-carbon alloys and stainless steels—our model is designed not just to reduce emissions, but to do so in a self-sufficient and circular manner. We are also advancing our ability to measure and report progress, aligning with emerging sustainability frameworks and transitioning to a new 2021 baseline, while maintaining our 2030 targets. These steps will help ensure that our strategy remains both ambitious and credible.

Looking ahead, Aperam's evolution toward a more resilient, high-value, and less cyclical business model continues to take shape. By deepening the balance between high-value alloys and stainless steel, we are reinforcing our leadership position and unlocking new pathways for growth and innovation. Our continued investment in advanced solutions—particularly those that respond to the changing needs of sectors such as mobility, construction, and energy—demonstrates the strength of our integrated business model and materials expertise. These efforts not only enhance our competitive edge but also support our ambition to deliver superior performance with a reduced environmental footprint. The Board remains fully confident in Aperam's ability to execute on its long-term commitments and to create lasting value for all our stakeholders

On behalf of the Board, I would like to thank our employees, customers, shareholders, and leadership team for their continued trust and dedication. Your ongoing support empowers us to build a stronger Aperam—one that is better positioned to meet the challenges of today, and to shape a more sustainable and prosperous future for all.

Sincerely,

Lakshmi N. Mittal
Chairman of the Board of Directors

Message from the Chief Executive Officer

Dear Shareholders,

I am pleased to present Aperam's new annual report, reflecting our financial, operational, and sustainability performance.

2024 was another challenging year. The anticipated recovery in our markets did not materialize, and the economic environment remained characterized by inflationary pressure, volatile demand, and geopolitical uncertainty. However, we have learned to use such periods to strengthen our business. This year, we continued to improve our cost competitiveness, optimize our portfolio, and further differentiate our value chain.

Our priority remains the safety of our people. Our lost time injury frequency rate improved to 1.8x, down from 2.3x in 2023, thanks to the dedication of our teams and our strong safety culture. While we celebrate improvements, we remain fully committed to learning from every incident and continuously reinforcing safety measures. This focus on Health & Safety equally applies to our Subcontractors, all the more so with the fatality recorded by one of them at our Châtelet site in 2024. We will continue to involve them fully in our roadmap and progress together. Our ultimate objective is clear: a zero-accident workplace.

Despite the difficult environment, we delivered solid operational results. Shipments increased 4.2% to 2,290 thousand tonnes, and Adjusted EBITDA reached EUR 356 million, up from EUR 304 million in 2023. These results were driven by disciplined execution, early gains from Leadership Journey® Phase 5, and our strategic focus on high-value products. Leadership Journey® Phase 5, launched to combat inflationary pressures and enhance efficiency, has already generated EUR 95 million in cumulative gains in its first year, with a target of EUR 200 million by 2026.

A key milestone of 2024 was our expansion into the U.S. market with Universal Stainless & Alloy Products, Inc, which will be consolidated into our Group in 2025. This marks a strategic step forward, strengthening our position in high-value alloys and aerospace. With this addition coupled with the doubling of Alloys through organic growth, our Alloys & Specialties segment is set to become our largest earnings contributor from 2025. This shift is significant: it makes Aperam more diversified, less exposed to high cyclical commodities and better positioned for long-term value creation.

At the same time, we continued the transformation of our stainless steel portfolio. Our focus remains on high-value-added products, innovation, and cost optimization. In 2024, specialties and innovative products drove the performance of Stainless Europe—a clear sign that our strategy to prioritize value over volume is delivering results.

This transformation goes hand in hand with our commitment to sustainability. In 2024, our ESG performance was recognized by leading rating agencies. MSCI awarded Aperam a Triple-A rating, positioning us among the top performers in the global steel sector. Morningstar Sustainalytics ranked us among the top three steel companies globally out of 158 assessed, and The Times listed Aperam among the "World's Best Companies 2024", where we were the highest-ranked steel producer. These recognitions reflect the effectiveness of our ESG roadmap, which is embedded in our operations, our supply chain, and our financial strategy.

Looking ahead, 2025 remains uncertain. While there is renewed discussion in Europe about industrial competitiveness, the economic and political environment remains fragile. Regardless of the pace of economic recovery, we will continue to rely on self-help measures—a proven approach that has strengthened Aperam in recent years. The Leadership Journey® and our differentiated value chain will remain key levers for enhancing our competitive standing.

Year after year, we are building a stronger Aperam—one that is more resilient, less cyclical, and increasingly aligned with the principles of the circular economy. Our expansion in the U.S. and aerospace markets represents an opportunity to further develop high-value earnings streams, reinforcing long-term value creation.

My heartfelt thanks go to our 12,000 employees for their unwavering dedication, as well as to our customers and shareholders for their trust. Together, we are forging the future of Aperam—one that is more sustainable, more diversified, and ready to capture new opportunities.

Sincerely,

Timoteo Di Maulo
Chief Executive Officer

Key Highlights in 2024
Aperam at a Glance

Finance
Adjusted EBIDTA

€ 356 million

increased by 17.1% due to higher volumes, and improved mix and higher margins.

Shipments
2.3 mt

in 2024, a **4.2% increase** y-o-y

Leadership Journey® 2 - Phase 5
Gains reached

EUR 95 million

vs **target gains of EUR 200 million** over the period 2024 to 2026

Acquisitions
Signing of the definitive agreement to acquire

Universal Stainless & Alloy Products, Inc.

Environment
CO_2 footprit

0.3 tCO_2e/tcs

one of the best-in-class CO_2 footprints (Scope 1+2) in the steel industry

Health&Safety
LTI frequency rate of

1.8x

in 2024 compared to 2.3x in 2023

People
Women make up

17.2%

of Aperam's workforce, **a 3.7% increase since 2021**

Company Culture
Among the

500

best companies to work for, and the only one from the Steel & Mining sector, according to **Time magazine**

R&D
Our commitment to innovation

€ 23.7 million

invested in R&D in 2024

The Board of Directors is pleased to present its report, which constitutes the Management Report as defined by Luxembourg Law, together with the audited consolidated financial statements and annual accounts as of 31 December 2024 and for the year then ended. As permitted by Luxembourg Law, the Board of Directors has elected to prepare a single Management Report covering both the Company and the Group.

Introduction

Aperam, including its subsidiaries (hereinafter referred to as either 'Aperam', 'the Company', 'we', 'our', or 'the Group'), is a global leader in stainless, electrical and specialty steel and recycling. With a focus on innovation and commitment to sustainability, Aperam's vision is to lead as the value creator in the circular economy of infinite, world-changing materials.

Our operations demonstrate our commitment to this vision:

- Aperam's European production processes leverage the recyclability of stainless steel scrap, contributing to one of the lowest CO_2 footprints among stainless steel producers worldwide.
- In Brazil, we leverage charcoal derived from our FSC®-certified eucalyptus forests, further reinforcing our environmental stewardship.

Following the acquisition of ELG on December 27, 2021, Aperam has expanded its leadership in recycling, now managing global networks for stainless steel and superalloy scrap. This addition, fully consolidated in the Aperam Group under the 'Recycling and Renewables' segment, supports our strategy to maximize resource efficiency and advance the principles of the circular economy.

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

Our workforce of approximately 12,000 employees delivers high-value-added specialty products, including grain-oriented (GO) and non-grain-oriented (NGO) electrical steels and specialty alloys. Our products serve industries such as aerospace, automotive, construction, medical, and oil & gas, meeting the evolving demands of global markets.

This unique approach enables Aperam to lead in sustainability while maintaining our position as a reliable partner for innovative and environmentally conscious solutions. In 2024, Aperam reported sales of €6.2 billion (2023: €6.6 billion) with EBITDA of €358 million (2023: €293 million). Shipments amounted to 2.3 million tonnes in 2024 (2023: 2.2 million tonnes). These figures reflect both our resilience and our dedication to delivering sustainable value to our stakeholders.

Our History

Aperam Through the Years

2011

APERAM CREATION
25 January: ArcelorMittal shareholders approve spin-off proposal at a General Meeting. Aperam listed on Amsterdam, Paris, Luxembourg stock exchange and created with a strong governance framework.

LEADERSHIP JOURNEY®
Announcement of Phase 1 of the Leadership Journey®.

2012

CHARCOAL POWER
Brazilian furnaces start running completely on charcoal produced from our own forest operations.

SUSTAINABILITY REPORT
Aperam publishes its first annual Sustainability Report.

2013

2014

ACESITA FOUNDATION
20 years

DUPLEX
First big desalination project.

2015

SAFE TRAINING
With safety being our #1 priority, Aperam starts providing new award-winning SAFE training to all employees.

PRIME RATING
Company gets first inquiries from ESG Analysts and earns Prime rating from Oekom.

2016

EUROPEAN INVESTMENT BANK
A contract with the EIB dedicates €50 million to R&D and facility upgrades.

BUSINESS HAS NEVER BEEN SO SIMPLE!
e-aperam, our intuitive, 24/7 online shopping platform, goes live.

2017

BIOENERGIA REBORN
Planting new trees, Aperam renews its eucalyptus forest.

BEL20
Aperam listed on Euronext Brussels.

INVESTMENT GRADE
Company earns its first Investment Grade (Baa3) rating from Moody's.

2018

RENEWABLE ENERGY
Genk facility installs windmills and Chatelet facility turns to solar energy.

EMPLOYER OF CHOICE
Long recognized in Brazil, Aperam is named a 'Best Employer' in France too.

2019

ResponsibleSteel™
Aperam joins the industry's first global, multi-stakeholder standard and certification program.

CARBON NEUTRALITY
230 environmental objectives and objective of carbon neutrality by 2050.

RECYCO TURNS 10Y
Our efficient waste-to-value service provider Recyco expands scope.

SCRAP METAL
Genk facility produces austenitic stainless steels containing ~90% scrap.

2020

IMPHYTEK POWDERS
Our joint venture with Tekna gets clearance from European Commission.

ECOVADIS GOLD
The Aperam Group receives Gold rating from the EcoVadis business sustainability assessment.

CDP
The CDP gave Aperam a "B" (or management level) rating for climate change.

2021

ResponsibleSteel™
Aperam becomes 1st stainless steel company to earn ResponsibleSteel™ certification with our stainless europe operations.

ELG
Aperam completes acquisition of ELG.

2022

BIOENERGIA
Announcement of Aperam's strategy to grow BioEnergia's existing forest operations by 20% and to expand into new business models focusing on energy transition.

2023

ECOVADIS PLATINIUM
The Aperam Group receives Platinum rating from the EcoVadis business sustainability assessment.

LAUNCH OF Aperam infinite™
Aperam launches its new sustainability brand for all its near-zero footprint premium products, related services and solutions – Aperam infinite™.

LAUNCH OF Botanickel
Aperam & Econick have formed a JV called Botanickel to become a world leader in the responsible and sustainable production of biosourced nickel for the stainless steel industry.

ResponsibleSteel™
Aperam South America becomes the 1st in its segment to obtain ResponsibleSteel™ certification in Latin America.

2024

ResponsibleSteel™
Successful Re-certification

300 ANNIVERSARY FOR APERAM GUEUGNON
From "les forges de Gueugnon" to Aperam.

UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.
Aperam expands Alloys footprint to the Aerospace and Industrial markets in the US, signing the definitive agreement to acquire Universal Stainless & Alloy Products, Inc.

2025

IFC
IFC to invest in Aperam to foster decarbonization of steel production in Brazil.

Strategy, Value Creation & Performance

Our Operational Organisation and Facilities

In 2024, we managed our business in four primary operating segments.

- **Stainless & Electrical Steel**

We are a leading global producer of stainless steel by production capacity. We produce a wide range of stainless and electrical steels (both Grain Oriented and Non-Grain Oriented) and continuously expand our product portfolio by developing new and higher grades of stainless steel and electrical steel. The Stainless & Electrical Steel segment includes Aperam's Stainless Precision business.

This segment accounted for 31.5% of external sales and 52.0% of EBITDA for the year ending 31 December, 2024, and 34.9% of external sales and 27.6% of EBITDA for the year ending 31 December 2023.

- **Services & Solutions**

Our Services & Solutions segment, which includes our tubes business, performs three core activities:

(i) the management of exclusive direct sales of stainless-steel products from our production facilities, primarily those located in Europe;
(ii) distribution of our products and, to a much lesser extent, external suppliers' products; and
(iii) transformation services, which include the provision of value added and customised steel solutions through further processing to meet specific customer requirements.

This segment accounted for 36.6% of external sales and 11.2% of EBITDA for the year ending 31 December, 2024, and 32.9% of external sales and 8.2% of EBITDA for the year ending 31 December 2023.

- **Alloys & Specialties**

Our Alloys & Specialties segment is among the top six global producers of specialty alloys in the world. We specialise in the design, production and transformation of various specialty alloys and certain specific stainless steels. Our products take the form of bars, semis, cold-rolled strips, wire and wire rods, and plates and are available in a wide range of grades.

This segment accounted for 14.4% of external sales and 23.2% of EBITDA for the year ending 31 December, 2024, and 13.2% of external sales and 16.7% of EBITDA for the year ending 31 December 2023.

- **Recycling & Renewables**

Aperam Recycling is a leader in trading, processing and recycling of stainless steel, superalloys, titanium, and special metals scrap with a global footprint. Our newest segment includes all recycling and renewable energy activities:

(i) ELG[2], a global leader in the trading, processing and recycling of raw materials for the stainless-steel industry, as well as high performance materials such as superalloys and titanium;
(ii) Recyco, our electric arc furnace recycling facility that retrieves and recycles dust and sludge, with the aim of using it to produce stainless steel raw materials while also reducing waste; and
(iii) Aperam BioEnergia, which produces wood and charcoal (biomass) from cultivated eucalyptus forests in Brazil that is then used as a substitute for coke at our Timóteo (Brazil) production facility.

This segment accounted for 17.4% of external sales and 24.0% of EBITDA for the year ending 31 December, 2024, and 18.9% of external sales and 53.2% of EBITDA for the year ending 31 December 2023.

We also report EBITDA within our Others and Eliminations segment. This segment includes corporate costs and elimination between our primary operating segments. EBITDA for Others and Eliminations accounted for (10.3)% of EBITDA for the year ending 31 December 2024, and (5.8)% of EBITDA for the year ending 31 December 2023.

Our key production sites

Genk (Belgium)

Châtelet (Belgium)

Gueugnon (France)

Isbergues (France)

Imphy (France)

Timóteo (Brazil)

[2] On December 27, 2021, Aperam announced the completion of the acquisition of ELG, a global leader in stainless steel and superalloys recycling.

How we create value

In this section, we highlight the distinctive characteristics that define Aperam’s approach to creating value for stakeholders through our vision to lead as the value creator in the circular economy of infinite, world-changing materials. Our business model is rooted in a deep understanding of our products, their lifecycle impacts, and their role in a circular economy. By aligning our operations with sustainability principles and proactively adapting to evolving customer needs, we ensure that our processes and solutions deliver long-term value while addressing critical environmental and societal challenges.

Business Model

In this section, we outline the distinctive characteristics of Aperam that allow us to create value for stakeholders. Our business model is driven by our understanding of our products, their effect on the climate and our ability to evolve to changing customer needs.

Our Business Model
How we Create Value

INPUTS

HUMAN CAPITAL
Our people are our first priority
- **Zero**-accident and a shared-vigilance culture
- **12,007** employees
- **17%** of our workforce are women

INTELLECTUAL CAPITAL
Our best-in-class R&D facilities to design the future
- **€23.7m** R&D spent
- **149** R&D employees in total (all centers)

MANUFACTURING CAPITAL
We have a competitive footprint
- Modern European industrial setting
- Sole integrated producer flat stainless & electrical steel in South America
- **14** service centres, **15** sales offices, **4** transformation centres
- **€165m** capex

FINANCIAL CAPITAL
We have a strong financial position
- **€5.8bn** total balance sheet
- **€544m** net financial debt, net debt/EBITDA ratio **<1**
- **€6.2bn** sales

SOCIETAL CAPITAL
We have strong relationships with our stakeholders
- Mutually beneficial relations with suppliers, local authorities and communities
- First stainless steel company to join ResponsibleSteel™
- Aiming for excellence in Governance, Ethics and Compliance

NATURAL CAPITAL
Our respectful footprint - being accountable to nature
- **>1/3** energy use from renewables
- BioEnergia **>130,000 ha** FSC®-certified forestry in Brazil for charcoal production, with externally verified yearly carbon sequestration. In order to avoid monoculture effects on biodiversity, more than 40.000 ha of non-cultivated forest kept in the area.
- Superior access to **scrap** in Europe
- Recyco unit: metallic content recovering from melt-shop dust and treatment for reuse

OUR OPERATIONS

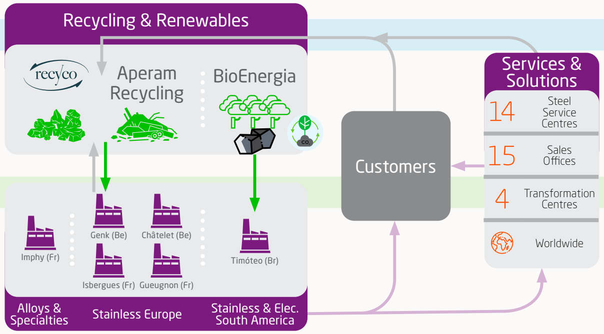
OUR VISION
We are committed to establish Aperam as the leading value creator in the circular economy of infinite, world-changing materials.

OUR MISSION
To provide steel and alloys solutions that are both affordable and made for life, and that offer the strength, versatility and endless recyclability needed to build a sustainable society.

OUR AMBITION
To be sustainably safe and profitable and to be recognised as a preferred supplier, a facilitator and accelerator of change and an employer of choice.

OUR STRATEGY
- **Product & service excellence** Strengthen our product and service differentiation
- **Cost excellence** Successfully continuing with Phase 5 of our Leadership Journey®
- **ESG excellence** Lead sustainably, based on our Health & Safety and CO_2 stewardship

Sustainability is fully embedded in our values and operations



- R&D / Innovation / Continuous Improvement
- People Management
- Ethics / Compliance / Corporate Governance
- Stakeholders Engagement and Transparency

OUTPUTS

We focus on their safety and development
- TRIR **4.66**
- Among the **500 best companies** to work for, and the only one from the Steel & Mining sector, according to Time magazine (November 2024)
- **94,7%** of workers received at least one training

We provide innovative solutions for our customers
- Delivering best-in-class solutions that push the limits of technology and enable our customers to lead in their key markets
- Continuous improvement of new product rate and service offer (e.g. e-business, EDI)

We continuously strive to improve our operations towards excellence
- **2.3mt** shipments
- **€95m** EBITDA level reached under Phase 5 of Leadership Journey® vs €200m target 2024-2026 period
- State-of-the-art industrial projects, allocating >55% of R&D to New Mobility and New Energy product innovation and decommoditization. ¼ of R&D resources to process innovation to support initiatives on energy efficiency, waste minimization, quality improvement and CO_2 reduction
- Founding of new innovative partnerships like **Botanickel's circular and bio-sourced nickel production process**

We deliver value for our stakeholders
- **€6,255m** economic value distributed, incl. taxes and salaries
- **€125m** free cash flow
- **€356m** adjusted EBITDA
- **€231m** net income
- **€145m** returns to shareholders in 2024

We provide social value
- Our general philanthropic and local development efforts are boosted in Brazil by the **Aperam Foundation**
- Stainless Europe and South America both **ResponsibleSteel™ certified**
- **Good ESG ratings** incl. MSCI AAA
- Consistent sustainability reporting

Sustainable products - recycling is at the core of our business
- One of the lowest CO_2 footprint in stainless industry globally with a strong roadmap to contribute to **Carbon neutrality by 2050**. Rating from CDP of 'B' for Climate change and Water security
- Extractive coke fully replaced by **renewable charcoal** in our Brazilian Blast Furnaces
- **~90%** metallic scrap used in European austenitic stainless steels. As demonstrated by the creation of the Aperam Recycling division, Aperam continues to place the circular economy at the heart of its growth strategy. Aperam launches its new sustainability brand for all its near-zero footprint premium products, related services and solutions – **Aperam infinite™**
- **Over 90%** recycling/reuse rate overall

Aperam Primary Segments
Overview

Primary Segment		Recycling & Renewables	Alloys & Specialties	Stainless & Electrical – Europe	Stainless & Electrical – South America	Services & Solutions
Key figures 2024	Employees*	2,914	1,294	2,650	2,347	1,663
	Footprint/number	44	6	5	1	18
	Volume (Kt)	1,464	38	1,040	586	739
	Sales (€B)	1.95	0.92	3.04	0.97	2.38
	EBIDTA (€M)	86	83	118	68	40
Customers		Stainless Steel Producers	Oil & Gas | Cryogeny | Energy | Automotive | Electric & Electronics | Niche Consumer Goods...	Industry | White Goods | Automotive | Transformers (GO, Energy Distribution, AI Data Centres...) | Electric Motors & Electric Energy Production (hidro and eolic)...		Automotive (e-mobility) | Transport | Household Appliances | Chemical Industry | Food Processing | Building & Construction | 1st Transformation / General Industry...

Customers' scrap

*employee count per segment excludes Others (such as HQ)

→ Internal segment interconnection
→ Industrial scrap purchased by Recycling & Renewables

Stainless & Electrical Steel

Europe

Who we are: Our European facilities produce a full range of stainless steel products. In 2024, steel shipments from Stainless & Electrical Steel Europe facilities represented 1,040 thousand tonnes (2023: 979 thousand tonnes).

We have two melt shops in Belgium, located in Genk and Châtelet. The Genk facility includes two electric arc furnaces, argon-oxygen decarburisation equipment, ladle refining metallurgy, a slab continuous caster and slab grinders. It also hosts a cold rolling mill facility. The Châtelet location is an integrated facility with a meltshop and a hot rolling mill. The Châtelet melt shop includes an electric arc furnace, argon-oxygen decarburisation equipment, ladle furnaces refining metallurgy, a slab continuous caster and slab grinders.

Our cold rolling facilities in Europe include four cold rolling mills located in Genk, Belgium and at our Gueugnon, Isbergues and Pont-de-Roide sites in France. These facilities include annealing and pickling lines (with shot blasting and pickling equipment), cold rolling mills, bright annealing lines (in Gueugnon and Genk), skin-pass and finishing operations equipment. The Isbergues plant also includes a Direct Rolling, Annealing and Pickling (DRAP) line.

Our Business Model: The Stainless & Electrical Steel Europe segment is dedicated to producing affordable, recyclable and sustainable stainless steel. We supply our products 70% directly and 30% through distributors, ensuring a reliable and efficient supply chain that meets market demands. Our products are the backbone of applications that are solving the major challenges that face our planet today - energy transition, water scarcity or moving to sustainable mobility.

Our Strategy: Aperam focuses on innovation to supply the markets of the future, ensuring product differentiation, reliability, and cost competitiveness to adapt to evolving demand and remain the preferred supplier for our customers.

South America

Who are we: We are the only producer of flat stainless and electrical steel in South America. Our integrated production facility in Timóteo, Brazil produces a wide range of stainless and electrical steel and special carbon products. This accounts for approximately 37% of the Stainless & Electrical Steel segment's total shipments. Steel shipments from Stainless & Electrical Steel Brazil facilities represented 586 thousand tonnes in 2024 (2023: 571 thousand tonnes).

The Timóteo integrated production facility includes two blast furnaces, one melting shop area (including two electrical furnaces, two converters, and two continuous casting machines), one hot rolling mill (including one walking beam and one pusher furnace with one rougher mill and one steckel mill), a stainless cold rolling shop (including one hot annealing and pickling line, two cold annealing and pickling lines, one cold preparation line, three cold rolling mills, and four batch annealing furnaces), and an electrical steel cold rolling shop (including one hot annealing and pickling line, two tandem annealing lines, one decarburising line, one thermo-flattening and carlite coating line, one cold rolling mill, and 20 batch annealing furnaces).

Our Business Model: The Stainless & Electrical Steel South America segment is dedicated to the local and competitive procurement of raw materials—such as FeNi, FeCr, scrap, iron ore and pellets—to produce premium stainless and electrical steel. We prioritise supply to the profitable and growing Brazilian market, leveraging our network and reputation to consistently deliver products that meet the highest industry standards while supporting long-term regional growth.

Aperam South America is in a unique position to produce stainless and specialty steel using charcoal from our sustainably cultivated forests in Brazil from the Recycling & Renewables division, which reduces its dependence on external sources for coke and energy.

Our Strategy: In 2023, Aperam South America became the first special flat steel manufacturer in Latin America to receive ResponsibleSteel™ certification. The ResponsibleSteel™ Standard, which was designed together by business partners and NGOs with the aim of promoting steel as a responsible material of choice, contains 12 principles with more than 200 requirements that set the benchmark for responsible steel production. Our Stainless Europe operations had already been certified in 2021, making Aperam the world's first stainless steel and specialty alloys producer to achieve this distinction on two different continents.

Committed to maximising steel's contribution to a sustainable society, Aperam underwent a rigorous international audit process in 2023. The certification of Aperam South America reinforces our commitment to sustainability; our vision to lead as the value creator in the circular economy of infinite, world-changing materials; and our mission to offer steel solutions produced in a responsible manner.

In 2025, Aperam aims to boost the apparent consumption of stainless steel in Brazil by embracing innovation and developing new products and applications, while increasing market share by reaching customers directly, increasing customer satisfaction and agility in service—leveraging mergers and acquisitions with customers and joint developments. This strategy necessitates expanding our plant capacity, alongside enhancing productivity and competitiveness.

Aperam Stainless & Electrical - Timóteo plant

Services & Solutions

Who are we: We predominantly sell and distribute our products through our integrated processing and distribution "Services & Solutions segment", which includes our tubes business. This segment provides value added and customised steel solutions with further processing, very short lead times and a high level of service. With extensive footprint in Europe and in America, we offer:

- Sales and distribution of our stainless steel, including exclusive direct sales from our production facilities.
- Tailored, high-value-added steel solutions through advanced processing to meet specific customer needs and requirements.

Our Business Model: The Services & Solutions segment distributes Aperam products to customers while offering tailor-made services and products designed to meet their specific requirements. We enhance the appeal of our offerings by expanding our product range with long stainless steel products, ensuring comprehensive and innovative solutions that cater to the evolving needs and demands of our diverse customers.

Our global distribution network includes 14 steel service centres, four transformation facilities and 15 sales offices. Steel shipments from Services and Solutions represented 739 thousand tonnes in 2024 (2023: 647 thousand tonnes).

Our Strategy: Aperam focuses on improving our product mix, serving customer needs directly and together, driving market share growth through service excellence in core countries. In addition to operating the largest stainless e-commerce channel in the world outside of China through eaperam, we leverage AI, digitalization, and automation to enhance competitiveness and customer centricity.

Alloys & Specialties

Who are we: Our Alloys & Specialties integrated production facility is located in Imphy, France, and includes a melt shop, a wire rod facility and a strip cold rolling facility. The melt shop is designed to produce specialty grades and includes one electric arc furnace, two induction furnaces with two vacuum oxygen decarburisation ladles and a ladle furnace, one vacuum induction melting furnace, two vacuum arc remelting furnaces, and one electroslag remelting furnace. The melt shop is also equipped with ingot casting facilities and a continuous billet caster.

Our Business Model: The Alloys & Specialties segment is committed to providing tailor-made specialties across three continents, addressing the diverse needs of all end markets and shapes. Our customer-focused approach ensures that we deliver innovative, bespoke solutions that meet the unique requirements of various industries.

Our wire rod mill specialises in the production of specialty alloys and has the ability to process a wide range of grades, including stainless steel. It consists of a blooming mill, billet grinding, a hot rolling mill with a capacity of 35,000 tonnes, and finishing lines.

Our strip manufacturing facilities are very versatile in terms of grades and formats, they consist of several cold rolling mills, heat treatment furnaces and finishing capacities. They have a total capacity of more than 10,000 tonnes.

Steel shipments from our Alloys & Specialties facilities represented 38,300 tonnes in 2024 (2023: 33,400 tonnes).

We also own downstream nickel alloy and specialty assets, including Aperam Alloys Rescal S.A.S., a wire drawing facility located in Epône, France; Aperam Alloys Amilly, an electrical components manufacturer located in Amilly, France; Aperam Alloys India facilities include cladding, cold rolling, annealing and finishing line located in Indore, India and Imhua Special Metals, a transformation subsidiary in Foshan, China. We further hold a majority stake in Innovative Clad Solutions, a production facility for industrial clads in Indore, (Madhya Pradesh) India.

Our Strategy: Aperam focuses on increasing volume through debottlenecking and product innovation to better serve existing customers and expand into growing niche markets. We will further diversify our product portfolio and footprint through the integration of Universal Stainless, leveraging synergies to enhance efficiency.

Aperam Châtelet, Belgium

Recycling & Renewables

Who are we: Aperam Recycling & Renewables was established in 2022 and combines three recycling and renewable energy generating sub-segments, namely Aperam Recycling, Recyco and BioEnergia. Please see the following sections for more details on each entity.

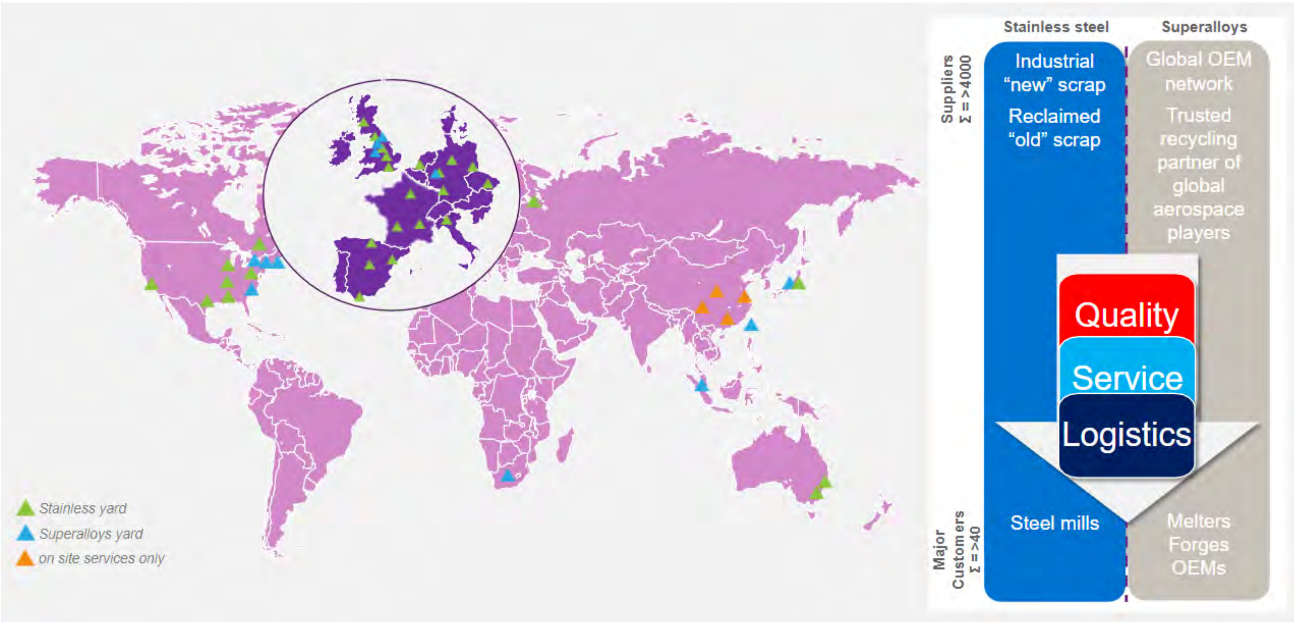
Our Business Model: The Recycling & Renewables segment is essential in securing a sustainable and competitive supply of valuable raw materials by globally purchasing, consolidating, processing, and blending stainless steel, titanium, superalloys, and special metals scrap. We ensure the highest quality standards and an efficient supply chain, enabling both internal and external material producers to optimize resource utilization. Our initiatives also help reduce the carbon footprint of stainless steel and other industrial manufacturers, underlining our commitment to sustainability. By offering closed-loop solutions, particularly in the aerospace sector, we enhance our partnerships with key industries and contribute to advancing the circular economy.

Fully integrated in Aperam South America footprint, BioEnergia is one of the largest producer of bio-charcoal in the world. Today it is a supplier of competitive and sustainable fuels and a lever for the decarbonization of Aperam South America and to the circular economy The main products of BioEnergia are charcoal, bio-oil, seedlings and biochar.

Our Strategy: Aperam focuses on securing scrap supply and strengthening competitiveness in our core markets by enhancing operational efficiency and cost-effectiveness. Additionally, we aim to become the leading stainless and alloys recycling player, reinforcing our market position and sustainability efforts.

Aperam Recycling

Aperam Recycling is a global leader in the trading, processing and recycling of raw materials for the stainless steel industry, as well as high performance materials such as superalloys and titanium. With more than 50 locations in North America, Europe, Asia, Australia and South Africa, Aperam Recycling has one of the stainless recycling industry's largest global footprints.



Aperam Recycling's product lines include stainless steel, special metals and superalloys scrap. Its customers, primarily stainless-steel producers as well as manufacturers from the aviation industry, receive the material in exactly the composition and form that their requirements demand.

Aperam Recycling is an integral part of the stainless steel and superalloys value chain, linking industrial customers, local scrap handlers, and mills and melt shops that purchase globally. Working with more than 4,000 trusted suppliers, Aperam Recycling sources small and medium-sized lots of material of different compositions and qualities. Aperam Recycling's value creation consists of transforming a heterogeneous collection of materials into a tailor-made, homogenous, and constant stream of valuable raw material made available to its global customers. This is especially the case in the stainless and superalloys segments, where Aperam Recycling has developed sophisticated analytical methods and innovative techniques and services to meet the demanding quality standards of its customers.

Aperam Recycling continuously contributes to reducing the stream of metal waste: in 2024, 1.04 million tonnes of recycled raw material were shipped for transformation into new products (0.94 million tonnes in 2023).

Recyco

Recyco, our electric arc furnace recycling facility located in Isbergues, France, is dedicated to recovering and treating the metallic content from melting shop dust and sludge. Reusing the furnace of a former melt shop, we treat these residues, extract the valuable metallic content, and send it back for reuse.

Aperam BioEnergia

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 steel a leader in terms of its CO_2 footprint. Our forest is continuously cultivated and maintained and is carbon positive, which means it acts as a carbon sink. Our BioEnergia unit represents a good example of our vision to lead as the value creator in the circular economy of infinite, world-changing materials and is a source of pride for our teams, who are keen to promote our ‘green’ label products.

Our forest management is based on best practices and is certified by the Forest Stewardship Council®’s (FSC®), whose standards and principles combine ecological protection (flora and fauna, but also water reserves) with social benefits and economic feasibility.

Our carbonisation process does not use any extractive fuels and is extraordinarily energy efficient, reusing the heat and gases generated by the incineration used to dry the wood. Thanks to this responsible and sustainable process, all the charcoal is produced efficiently and is sent to our Timóteo steel plant, located approximately 350 kilometres away.

Aperam BioEnergia

Principal Strengths and Risks

Principal Strengths

Aperam's key strengths lie in its commitment to long-term value and innovation (Made for Life), its leadership in sustainable solutions through the Recycling & Renewables Division, and its competitive industrial footprint in Europe and Brazil. With a global distribution network ensuring proximity and value-added services for customers, Aperam also stands out for its premium products, including high-performance alloys and stainless specialties.

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. Being the first stainless steel company to earn a ResponsibleSteel™ certification (for Aperam Stainless Europe in 2021, renewed in 2024, 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.

We have committed to the following objectives, with the aim to structure our Sustainability roadmap:

	Indicator	Target	Timeline
Social			
Health & Safety	TRIR (Total Recordable Incident Rate)	<3	2026
Employee Satisfaction	Sustainable Engagement from our All-Employee Surveys	>80%	2025
Learning & Development	Total learning hours in digital form	30%	2029
Inclusion & Diversity	Gender diversity for exempt employees	30%	2029
Environmental			
Energy consumption	Electricity & Nat. Gas intensity consumption - reduction vs 2015	(10)%	2030
CO_2e emissions	GHG emissions (scope 1/2/3) per ton reduction vs 2021	(20)%	2030
Air emissions	Dust emissions intensity - reduction vs 2015	(70)%	2030
Water consumption	Water consumption intensity - reduction vs 2015	(40)%	2030
Waste & Recycling	Proportion of wastes recycled or reused (aiming at 100%)	>97 %	2030
Stakeholders & Governance			
Stakeholders' Engagement	Implementation level of framework (% of sites)	100%	2026
Compliance Training rate	Employees' completion of mandatory Ethics & Legal Training	0.85	2026

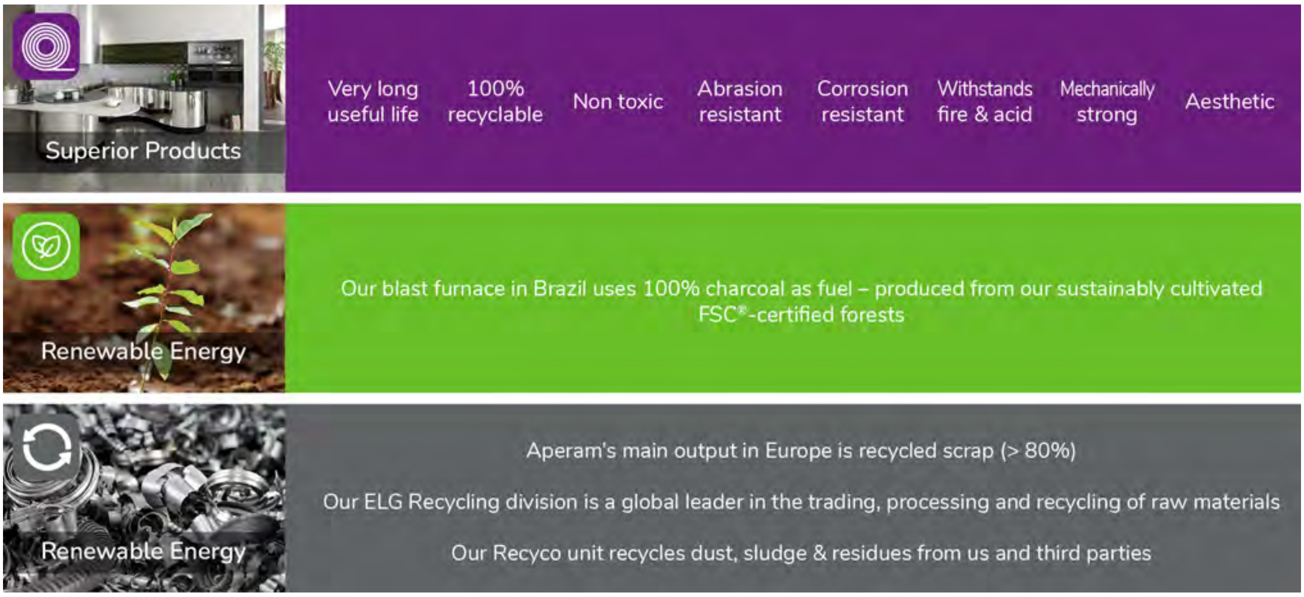
Aperam's sustainability strategy is a cornerstone of its operations, reflecting our commitment to creating value for stakeholders while minimizing our environmental footprint. Guided by principles of the circular economy, we focus on reducing carbon emissions, optimizing resource use, and deploying sustainable practices across our value chain. Key elements include:

- Decarbonization Leadership: With a CO_2e footprint of 0.3* tCO_2e per tonne of crude steel, well below the industry average of 0.9 tCO_2e, Aperam is a recognized leader in low-emission stainless steel production. This achievement is underpinned by our use of renewable energy and input sources, such as FSC®-certified charcoal in Brazil, and scrap-based production in Europe.

- Clear Roadmap for Decarbonization. After its initial goal to reduce CO_2e emissions by 30% by 2030 (Scopes 1 and 2) compared to 2015, **Aperam updated and accelerated its roadmap with the objective to cut its scope 1-2-3 intensity emissions by (20)% by 2030 (vs. 2021)** and achieve net-zero emissions by 2050. This strategy is supported by targeted investments in:
    - energy efficiency and renewable energy use,
    - low-CO_2e raw materials, since this is a key aspect of our sector's decarbonization
    - green technologies reducing or sequestrating the carbon-equivalent emissions of our productive assets.
- Commitment to ResponsibleSteel™: As the first stainless steel producer certified by ResponsibleSteel™ in Europe, and now in Brazil, we adhere to stringent environmental, social, and governance (ESG) criteria and aim for Sustainability excellence.

These strengths position Aperam as a trusted partner for customers seeking sustainable, high-performance materials. By aligning our business strategy with global sustainability objectives, we ensure resilience, innovation, and long-term value creation.

Please refer to the Sustainability Information section for more details.



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

e-Mobility solutions	Aperam's solutions enable e-vehicle components such as converters, inverters, onboard-charges, motors, EPS, cooling systems, air conditioning systems, current sensors, charging stations, fuel cells and battery packs
Clean air	Stainless and alloys help the marine transport sector minimizing emissions. Aperam offers scrubbing systems that remove over 90% of Sulphur and 80% of particles. Corrosion resistance grades with high mechanical properties are required
Cryogenic applications	They require a material that can withstand very low temperatures. Aperam solutions (stainless and INVAR M93 LNG tanker) are specially designed for cryogenic storage; transporting natural gas, ethane, or ethylene; and handling liquefied air gases like nitrogen, oxygen and argon
Sustainable water supply	Due to its inert nature, stainless is the material of choice for water supply (e.g. tanks and fountains, water boilers, sanitary piping systems, etc.) and water treatment (e.g. sewerage, distillation, desalination) applications
Solar power	Alloys are resistant to heat, corrosion, fatigue, and creep. It is the ideal material for the receiver tubes used to ensure the flow of molten salt and for glass metal sealing. Stainless, is the material of choice for the structural and fixing elements used in solar power systems
Renewable energy	• Electrical steels enable high performing wind generators due to their high permeability. • The magnetic properties of alloys convert and shape an electrical signal from generation to end use • Anemometric towers built of stainless steel enjoy an increased life span, reduced maintenance costs, better safety
The hydrogen economy	Stainless steel and alloys are already used in a number of important hydrogen applications eg fuel cells, production and storage installations, and transportation*. Aperam is a big supporter of the shift to hydrogen and a proud member of HydrogenEurope

Sustainability and Environment - Our Recycling & Renewables Segment

Aperam benefits from having integrated ELG as Aperam Recycling into our Recycling & Renewables Division (see description in the section about our Primary Segments above). These benefits include lower costs, as we may have a more direct, expert and agile access to scrap and, support to our decarbonization strategy and growth. With around 1,070 of our employees working in Aperam Recycling, the segment defends Aperam's cost leadership position. It also drives our decarbonization 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 use more than 80% of scrap in our European operations.
Recyco is a key part of Aperam's Recycling & Renewables Segment, specializing in the recovery of metallic content from production residues such as dust, mud, and ashes. Located in Isbergues, France, its electric furnace—repurposed from the former Isbergues steel plant—continues the site's industrial legacy by transforming waste into valuable raw materials. This integration strengthens Aperam's circular economy strategy, maximizing material recovery and minimizing waste to enhance the environmental and social sustainability of stainless steel production.

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 1,850 of our employees are employed in the seedling, nursing and planting of eucalyptus trees as well as in the transport of products. Our forest management is based on best practices and is recognised by the Forest Stewardship Council's (FSC®) certification, whose standards and principles combine 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 by the Time magazine as one of the best companies to work in 2024 in the Brazilian steel industry. Thanks to our own Foundation in Brazil[3], 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.

[3]Created in June 1994, the Aperam Acesita Foundation is a private, non-profit institution. Its mission is to promote the integrated and sustainable development of the communities where Aperam South America carries out its main activities.

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).

Aperam invested in two major projects in its Genk plant. First, we added a new cold annealing and pickling line (BUL4 Project) and cold rolling mill (CRM5 Project), to expand our product range, improve lead times, and increase efficiency. Second, we invested in a new Argon Oxygen Decarburisation converter (AOD2 Project). Both projects, together with the planned specialties centre in Gueugnon, will further help reorientate our product portfolio towards specialties.

Aperam made a significant investment in Imphy to develop a state-of-the-art Hot Rolling Mill (HRM), setting a new industry benchmark for innovation and productivity. This strategic investment is essential for Aperam Alloys & Specialties segment, as sustaining leadership in the wire rod supply market - serving industries such as aerospace, automotive, and welding consumables - demands continuous technological advancements.
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 in the section 'A Strong Focus on Self-help Measures' below).

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

<table>
<tr><th>Sourcing</th><th>Logistics</th><th>Production and Innovation</th><th>Sustainability</th></tr>
<tr><td rowspan="4">The only integrated upstream operations in the heart of Europe, with the best access to scrap supply though our Recycling Segment</td><td>Best location to serve Europe's biggest consumption areas</td><td>Full range of innovative stainless steel products</td><td rowspan="4">Aperam's main input in Europe is recycled scrap (>80%)

Our Recycling Segment with Aperam Recycling (ELG), and Recyco offers Aperam a leading position in the circular economy

Our 4 main plants have been certified in accordance with the strict ESG criteria of the ResponsibleSteel™ standard</td></tr>
<tr><td rowspan="3">Efficient logistics and working capital management</td><td>Flexibility and efficient capacity</td></tr>
<tr><td>A strategy to be a cost benchmark on key Aperam products</td></tr>
<tr><td>2 R&D centres</td></tr>
</table>

Key Strengths of Aperam’s Brazilian Operations

<table>
<tr><th>Sourcing</th><th>Logistics</th><th>Production and Innovation</th><th>Sustainability</th></tr>
<tr><td rowspan="4">The only fully integrated stainless steel facility in South America, with access to iron ore and environmentally friendly charcoal produced from our own eucalyptus forests</td><td>Efficient logistics with integrated service centres</td><td>Full range of products, including flat stainless steel, electrical steel and special carbon</td><td rowspan="4">Our blast furnace in Brazil uses only charcoal as fuel - produced from our sustainably cultivated FSC® -certified forests

BioEnergia also develops new sustainable business streams such as bio-oil, a substitute for fuel that is made from its by-products.The bio-oil is a renewable and fossil-free fuel.

Our main plant has been certified in accordance with the strict ESG criteria of the ResponsibleSteel™ standard</td></tr>
<tr><td>Only stainless steel producer in South America with best-in-class deliveries to customers</td><td>A flexible production route that allows Aperam to maximise its product mix</td></tr>
<tr><td rowspan="2">Flexible geographic sales capabilities within South America, allowing Aperam to optimise its geographic exposure</td><td>An improving cost position compared to the industry benchmark and one that benefits from best practice benchmarking with European operations</td></tr>
<tr><td>1 R&D centre</td></tr>
</table>

Value Add and Proximity to Customer - Our Geography and 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 149 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 74% of Aperam’s sales are derived from developed markets, with 26% 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, 4 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 specialty products are primarily sold to customers in the electric motors, generators and transformers industries. We are one of the world leaders of specialty alloys and the largest producer of nickel-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.

Starting 2025, the Group will include the former Universal SAP US-based business, which focuses on the manufacturing and marketing of semi-finished and finished specialty steels. These include stainless steel, nickel alloys, tool steel, and other alloyed steels. The acquisition underscores Aperam's commitment to expanding its presence in the aerospace industry, reinforcing its Alloys & Specialties steel footprint globally, reducing cyclicality, and increasing exposure to the U.S. market. By joining forces, Aperam and Universal Stainless & Alloy Products, Inc aim to strengthen their capabilities, enhance their value chain, and deliver superior products and services to their global customer base.

Principal Risks and Uncertainties Related to Aperam and the Stainless and Specialty Steel Industry

At Aperam, risks are systematically identified, assessed, and managed as part of our integrated Enterprise Risk Management framework. This process is overseen by the Audit, Risk and Sustainability Committee (see section Corporate Governance below for more details) and supported by our Leadership Team. Through regular assessments, we evaluate potential risks across our operations, supply chain, and market environment. Mitigation strategies are implemented based on their potential impact and likelihood, ensuring resilience and alignment with our strategic objectives. This proactive approach enables Aperam to address uncertainties in the stainless and specialty steel industry while maintaining a robust and adaptive business model.

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

Risk of material squeeze mainly linked to macro-economics and geopolitics

Global economic cycle downturn

Aperam's activities and results are substantially affected by international, national and regional economic conditions, including geopolitical risks that could disrupt economic activity in affected countries. A slowdown in growth within emerging economies like China, Brazil, Russia, and India, along with other emerging Asian and Middle East markets, which are or are expected to be significant consumers of stainless and specialty steels, would have a considerable negative impact on our activities.

Overcapacity

Alongside economic factors, the stainless-steel industry is influenced by global production capacity and the variability of stainless-steel imports and exports. Production capacity in developing countries, including China and Indonesia, has increased significantly, with China becoming the world's largest producer of stainless steel. Consequently, the balance between China's domestic production and consumption directly influences global stainless-steel prices. The export of stainless steel from these countries, together with the favourable conditions they benefit from (i.e., excess capacity in China/Indonesia and/or high market prices for stainless steel in regions other than China/Indonesia), can deeply affect stainless steel prices in other markets, including Europe and South America.

Over the short- to medium-term, Aperam faces the risk that increases in stainless steel production in China and other markets (including Indonesia) exceed increases in real demand, which could impede the recovery of prices in the industry.

China slowdown

A decline in China's economic growth rate, leading to a decrease in stainless and special steel consumption, in parallel with the expansion of China's steel production capacity, could have a lasting impact on domestic and global demand and the price of stainless and special steel.

Material Margin Squeeze, Risks of Nickel Price Fluctuation, Raw Material Price Uncertainty, Over Dependency of Main Suppliers, and Risks of reputational damage or excessive costs linked to the responsibility level (ESG rating) of our extended supply chain

Among other factors, Aperam's profitability correlates with raw material prices. Our production requires substantial amounts of raw materials (primarily stainless and carbon steel scrap, nickel, chromium, molybdenum, charcoal (biomass) and iron ore), which are often sourced in oligopolistic markets. Aperam is also exposed to price uncertainty and material margin squeeze with respect to each of these raw materials, which it mainly purchases under short- and long-term contracts, but also on the spot market.

A significant decrease in the price of nickel, the most important raw material for the stainless steel division, would have a negative impact on apparent demand due to the prevalent 'wait and see' behaviour of customers. For our Alloys Segment, nickel is priced based on the LME quotation and thus subject to the fluctuation of the financial markets. For our Stainless Segment, nickel largely follows the Chinese market price references of non-LME deliverable products.

Risk of Production Equipment Breakdown and Disruption to Operations and Supply Chain

Stainless steel manufacturing processes depend on critical steelmaking equipment, such as furnaces, continuous casters, rolling mills and electrical equipment (such as transformers). The production process may incur downtime as a result of unanticipated failures or other events, such as fires, severe climate events, explosions or furnace breakdowns.

Aperam's manufacturing plants have experienced, and may in the future experience, plant shutdowns or periods of reduced production, and disruptions to operations and the supply chain, because of such process failures or other events like natural disasters, epidemics, pandemics, extreme weather events, and environmental issues linked to climate change.

Cybersecurity Risks

Aperam's operations depend on the secure and reliable performance of its digital systems. An increasing number of companies, including Aperam, are experiencing phishing attacks and other intrusion attempts for ransom money transfers, as well as attempts to compromise the operation of our digital systems. If such attempts were to succeed, they could render applications unavailable, compromise data, and generate adverse publicity. A successful attack on our production systems could interrupt the Group's operations.

Aperam could also be subject to litigation, civil or criminal penalties, and adverse publicity - all of which could adversely affect its reputation, financial condition and operational results.

Litigation Risks, Including Product Liability, Commercial Practices, Employment, Employment Benefits, Personal Data Protection, Taxes, Environmental Issues, and Health & Safety

A number of lawsuits, claims and proceedings have been and may be asserted against Aperam in relation to the conduct of its currently and formerly owned businesses. This includes lawsuits, claims, investigations and proceedings pertaining to taxes, product liability, industrial property rights, commercial practices, employment, employee benefits, personal data protection, environmental regulations, health and safety, and occupational disease. Aperam is specifically subject to a broad range of and evolving environmental laws and regulations in each of the jurisdictions in which it operates. Such laws and regulations have a particular focus on air emissions, wastewater storage, treatment and discharges, the use and handling of hazardous or toxic substances, slag treatment, soil pollution, waste disposal practices and the remediation of environmental contamination.

Due to the uncertainties of claims and litigation, no assurance can be given that the Company will prevail on all claims made against it and in the lawsuits that it currently faces. Nor can it be sure that additional claims would not be made against it in the future. While the outcome of litigations cannot be predicted with certainty, and some of these lawsuits, claims or proceedings may have an outcome that is adverse to Aperam, Management does not believe that the disposition of any such pending matters is likely to have a material adverse effect on Aperam's financial condition or liquidity (although the resolution in any reporting period of one or more of these matters could have a materially adverse effect on the Company's results of operations for that period).

Risks of Lack of Competitiveness in Workforce Costs, Risk of low motivation, low employee engagement and turnover leading to loss of efficiency, and Social Conflicts

A lack of competitiveness in workforce costs might have a material adverse effect on Aperam's cost position. Aperam's key personnel have extensive knowledge of its business and, more generally, on the stainless and specialty steel sector as a whole. Its inability to retain key personnel and/or the experience of social conflicts could have a material adverse effect on its business, financial condition, operational results and/or cash flows.

Customer Risks in Respect to Default of payment and Credit Insurance Companies Refusing to Insure the Risks of sales receivables

Due to today's challenging economic climate, Aperam may experience increased exposure to customer defaults or situations where credit insurance companies refuse to insure the recoverability risks of the Company's receivables. Such a scenario could have a material effect on Aperam's business, financial condition, operational results and/or cash flows.

Climate-related Disclosures

As a key player in the field of a high-carbon emitting industry, Aperam is fully aware of the challenges, risks and opportunities in relation to climate change and the transition to a lower-carbon economy, in particular with respect to our financial implications.

Aperam has an ambitious climate change action plan with solid targets for reducing greenhouse gas emissions, as well as general sustainable practices, including water stewardship, recycling and relevant monitoring. In our action plan, the impact we have on local stakeholders is a key performance indicator. Aperam fully integrates the need for a more circular economy into its strategy, as demonstrated by the creation of our new Recycling & Renewables segment and the acquisition of ELG (a major player in the global stainless scrap recycling market) in December 2021.

We are aware of the mid- to long-term impact that the energy transition is expected to have. This is why, in 2016, we started using an internal price for carbon when assessing our investments. This allows Aperam to manage the possible repercussions in terms of emission trading system, price of commodities, access to credit, competition and market trends, amongst others.

Aperam is convinced that climate change, together with the transition to a more sustainable economy, will open new opportunities for our responsibly-manufactured products.

All these aspects are considered part of the assumptions made in terms of the financial impacts incorporated into our Annual Report's consolidated financial statements, specifically with regard to assets in scope of IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets and to the impairment of non-financial assets under IAS 36 Impairment of Assets. No related material impairments are to be reported in this respect for the 2024 Financial Statements.

Our Operating Environment

Market Analysis

Market Environment

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

2024 saw a stable growth of global GDP of ~3%. Even if inflationary pressures ease and central banks begin cutting interest rates in the second half of the year, the global economy still faces challenges, particularly due to low consumer confidence in Europe and China. Although China achieved its 5% growth target, this was primarily driven by investments and exports. The economy continues to struggle with a weak property sector, sluggish domestic consumption growth, and deflationary pressures. Despite China's weaker economic growth, the country refrained from rolling out major policy stimulus due to local government debt risk.

Following a sharp slowdown in 2023, the European economy showed little improvement, with Germany remaining in recession and overall growth below 1%. This weak economic environment was observed across all European countries and sectors. Inflation adjusted downward, and the ECB cut interest rates. Although the energy crisis has eased, energy costs remain volatile and above pre-crisis levels.

Brazil maintained solid economic growth of approximately 3% in 2024, supported by strong agricultural exports, a recovery in consumer spending, and an uptick in private investment. However, rising inflation remains a challenge, prompting the central bank to increase interest rates in late 2024.

Stainless Steel Pricing

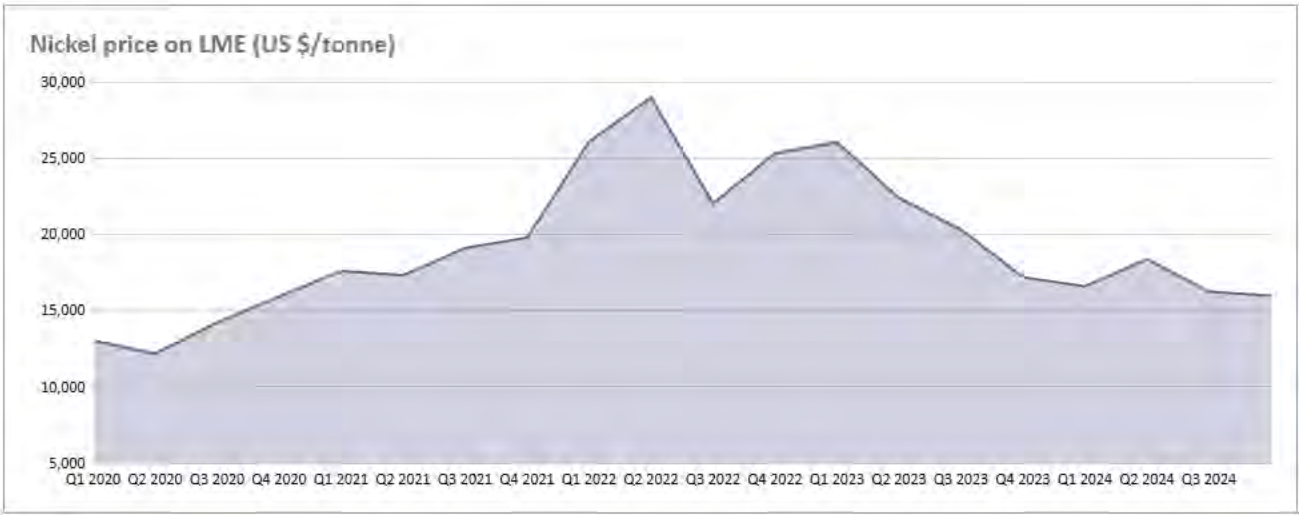
The stainless steel market is a global market. Stainless steel is suitable for transport over long distances, as logistics costs represent a small proportion of overall costs. As a result, prices for commoditised stainless-steel products evolve similarly across regions. However, in general, stainless steel products are not completely fungible due to wide variations in shape, chemical composition, quality, specifications and application, along with differences in the availability of local raw material and purchase conditions - all of which impact sales price. 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. The price of stainless steel in Europe and the United States is either fixed or will generally include two components:

- Base price: negotiated with customers and depends on market supply and demand.
- Alloy surcharge: 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 the purchase prices of raw materials, 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 experienced sharp volatility and several sudden spikes over the last decade.

The graphs below show the price of nickel on the LME, along with the European transaction price for CR304 stainless steel, for the period running 1 January 2020 to 31 December 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 are derived from the LME. Stainless steel/CR304 2B 2mm coil transaction price/Northern European domestic delivered prices are derived from Fastmarkets.

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

Electrical Steel Pricing

Similar to 2022 and 2023, prices for Grain Oriented (GO) and Non Grain Oriented (NGO) steels were strongly affected by global demand and supply dynamics.

In 2024, prices for Grain Oriented (GO) and Non-Grain Oriented (NGO) steels showed a very distinct behaviour throughout the year. Even though the local GO demand continued to be strong (see section below), the GO prices decreased by approximately 34% compared to 2023, affected mainly by Chinese exports, the continued supply of Russian GO steel and the return of South Korean GO to the Brazilian market. NGO prices on the other hand showed a strong resilience, maintaining the same price level in 2024 as 2023 with the wait-and-see and cautious market behaviour contributing to the NGO price stability over the period.

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 significantly affected by global economic and industrial trends. Short-term demand is also affected by fluctuations in nickel prices, as discussed in greater detail in the 'Stainless Steel Pricing' section above. As was the case in 2023, there was moderate economic and stainless steel consumption growth in the year, resulting in apparent consumption growth of stainless steel globally in 2024 of 3-4% annually - a similar level to that in 2023. Overall, the growth for 2024 was rather disappointing, especially in China. In the context of persistent weak demand and high production levels in China with increasing capacities, the stainless steel market remained well supplied and highly competitive, while they kept the nickel market in excess of supply. This resulted in a drop in NPI (Nickel-Pig-Iron) prices, which supported lower production costs for stainless steel and thus pushed prices down further.

In 2024, industrial production in Europe was reducing, with weak stainless steel demand from almost all sectors. High energy prices kept production in energy-intensive upstream manufacturing sectors below past years, with some investments being shifted to lower energy price regions. In Brazil, demand improved in 2024 supported by good economic and industrial growth. In China, economic performance was similar to that in 2023, with weaker domestic demand than expected but with activity supported by exports. With respect to electrical steel, the demand benefited from strong exports, mainly to the USA. Information shows a strong demand for distribution transformers and the Brazilian transformer producers started to export to the USA with high volumes after H2 2023. In 2024 the exports remained at high volumes. There was already a high volume of exports for power transformers, and again in 2024, the volumes continued to increase at a very high pace. For NGO steel, the Brazilian customers faced difficulties due to weak global demand.

The market for nickel alloys has benefited from its different end-use structure with a positive balance between the segments facing headwinds (building/construction, consumer goods and partially automotive) and the ones on a positive trend to grow by an estimated 5% in 2024, with a peak of demand in mid-2024. Due to the high order backlog, the lead time for products based on a specialty melt shop is around 2026, reflecting the strong demand coming mainly from aerospace, power generation and oil & gas industry.

The Aerospace sector has not yet recovered to its pre-covid levels. This is in spite of an enormous order backlog, with Boeing being forced to slow down production due to technical or social problems, resulting in a consequent negative impact on the production of engines.

Oil & gas: Leading market players remain optimistic about a continuous growth cycle, in spite of a delay in launching some new projects during the second half year 2024. The supply of clad pipe to pipeline projects was not as strong as expected before [projects such as North Field West projects (NFW) in Qatar, Bay du Nord (North Sea), Tortue (Senegal/Mauretania), Rovuma (Mozambique), Kashagan additions sustained the activity, but the expected push from Hail & Ghasha (Abu Dhabi) was missing as the deliveries have been postponed toQ4-2024 and in 2025 – supporting Ni demand for 825/625].

Power Generation: The demand for land-based gas turbines (LBGT) was robust in 2024. Orders increased by more than 20%, indicating a boom cycle for the next years. A specific dynamic is materializing in China, which also supports the use of Ni alloy for power generation (now based on local material supply).

CPI: Capex of chemical and petrochemical companies will most likely not grow in 2024. Thus, only a limited growth is expected for this year supported by hydrogen projects.

Automotive: A decline (-4%) in production of relevant cars (combustion engines, hybrid or not) has had a negative impact on Ni Alloy use. E-mobility with a low Ni Alloy intensity will continue to have a dampening effect on Ni alloy use, but will only reach its maturity in 2 to 3 years.

Shipbuilding/Marine: Improvement of sales to LNG tank production during 2024, with a positive trend expected in 2025. In contrast to LNG tankers, the ship diesel scrubber market seems to be saturated, with no substantial growth expected for the year to come.

Electrics & Electronics: After a depressed market situation in the first half of 2024, the market is improving but from a rather low level. Nevertheless, uncertainty remains regarding consumer confidence, be it in Europe, the US or even China.

Production and capacity

After a sharp weakening in 2022, 2023-2024 saw an annual growth of stainless steel production by 3-4% primarily driven by China, with increased capacity. Following a sharp fall in 2022, the utilisation rates of capacities stabilized at a low level.

It is estimated that, in recent years, global structural overcapacity has grown, the result of additional capacity in China and Southeast Asia. In China, slabs overcapacity in 2024 was estimated at 10 million tonnes and close to 20 million tonnes globally. This high overcapacity is reinforced by a lower than expected consumption growth in China and weak demand ex-China, which has reduced opportunities to increase exports.

Considering Indonesia's steady increase in stainless steel capacity, along with 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, keeping pressure on the global stainless value chain and trade flows.

Import pressure increased in Europe during 2024 (from a low basis in 2023) despite weak demand, due to competitive import prices and some restocking. Compared to 2023, in 2024 Brazil saw a 4% reduction in imports and a strong destocking of the Distribution, with a slight increase of apparent consumption.

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 has transformed over the past years, with Chinese producers Tsingshan, TISCO-BaoWu (formerly Baosteel) and Beihai Chengde 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

2024 was marked by some major developments in respect to trade measures, as described below.

European Union

1. Safeguard measures on the 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 (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

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.

On December 17, 2024, the European Commission initiated a review of the EU safeguard measure on steel, following a request by 13 EU Member States.

The request is based on the challenging situation facing the EU steel sector, which has been exacerbated by an increase in global overcapacity, together with a continued decrease in EU demand for steel. The objective of the safeguard is to provide temporary relief to domestic industry, helping it to adapt to new market conditions and regain competitiveness.

The Commission will carry out a detailed investigation until 31 March 2025. If the Commission deems it necessary, it will make a proposal to EU Member States, whose approval through a qualified majority vote will be required for any changes to take effect. Any decision resulting from this proceeding may become applicable as of 1 April 2025. This new review investigation will not impact the duration of the measure, which will remain in force until 30 June 2026.

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

On August 14th 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 6th 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-dumping Duty (%)	Effective From
Cold Rolled Stainless Steel Flat Products	Taiwan	39.8% (non exempted exporters)	May 7, 2024(1)
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 AS measures)	Vietnam (exemption from AD and AS measures)
Cold Rolled Stainless Steel Flat Products	→ Chia Far Industrial Factory Co.,Ltd. → Tang Eng Iron Works Co., Ltd. → Tung Mung Development Co.,Ltd. → Walsin Lihwa Corporation → Yieh United Steel Corporation → Yuan Long Stainless Steel Corp.	→ Posco Assan TST Celik Sanayi A.S.	→ Posco VST Co., Ltd. (exemption from AD and AS measures) → Lam Khang Joint Stock Company (exemption from AD measures only)

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

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

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

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

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

On 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 15th, 2026.

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

4. 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

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

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

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

Note:
(1) Entry into force from the day following that of the publication of the 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 6th, 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

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

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

Implementing Regulation (EU) 2021/2012 (article 1(2)) was amended with the publication of the Implementing Regulation (EU) 2022/433 of 15 March 2022 (see below), which imposes new anti-dumping duties.

Type of Products	Countries	Definitive Anti-dumping Duty (%)	Effective From
Cold Rolled Stainless Steel Flat Products	**India**	**From 10.0% up to 35.3%**	**28 May, 2021[1]**
Cold Rolled Stainless Steel Flat Products	**Indonesia**	**From 9.3% up to 20.2%**	**28 May, 2021**

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

Duties will remain in place until May 27th, 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

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

On 16 March 2022, the European Commission published Implementing Regulation (EU) 2022/433, imposing countervailing duties on the import 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%**	**17 March, 2022(1)**
Cold Rolled Stainless Steel Flat Products	**Indonesia**	**From 13.5% up to 21.4% except PT. Jindal Stainless Indonesia 0%**	**17 March, 2022**

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

The duties will remain in place until March 16th, 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

7. Anti-circumvention investigation 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 Countervailing 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 17th, 2028.

For further details please refer to the following link:
https://eur-lex.europa.eu/eli/reg_impl/2023/825/oj

Brazil

1. Import Duties applicable on Stainless Steel and Electrical Steel imports originated outside Mercosur

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 in Brazil for Stainless and Electrical Steel are at 12.6%.

For further details please refer to the following link:
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

3. Anti-Circumvention measures applicable to imports of certain cold rolled stainless steel sheets and coils

On May 28 2024, Brazil's Trade Defense Department (Decom) published the conclusion of an anti-circumvention investigation and the decision to extend the anti-dumping measures 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

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

On December 2nd 2022, the 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

5. 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 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 another 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

On May 8th 2024, Decom started a new investigation to analyse dumping on imports of Austenitic Stainless Steel Welded Tubes originated in India and Taiwan. On Dec 24th, 2024, Decom published the decision to apply provisionary duties for 6 months. Duties applied from 125$/t up to 1133$/t.

For further details please refer to the following link:
https://www.in.gov.br/en/web/dou/-/resolucao-gecex-n-676-de-11-de-dezembro-de-2024-601124922

6. 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.

On July 11, 2024, Decom initiated the investigation (sunset review) to evaluate anti-dumping measures on imports of Electrical Steel - Grain Non-Oriented (GNO) originated in China, South Korea, Taiwan and Germany.

For further details please refer to the following link:
https://www.in.gov.br/en/web/dou/-/circular-n-33-de-11-de-julho-de-2024-571723001

Raw Materials and Energy

Raw Materials

Stainless and specialty steel production requires a substantial amount 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 and carbon steel and thus tend to fluctuate in response to changes in supply and demand. Furthermore, since most of the raw materials we use are finite resources, their prices may fluctuate due to a perceived scarcity in reserves, along with the development of projects working to replace depleted reserves.

The stainless scrap market in Europe continued in 2024 with tight availability that was already visible at the end of 2023. Especially the generation of new scrap from lower industrial activity combined with seasonally good demand from stainless producers in H1 led to a constant rise of prices. The price for stainless steel scrap 18/8 solids import CIF European port started the year with 1,195 €/t and increased to 1,450 €/t at the end of May. The substitution of scrap with NPI imports brought the market back to balance with a price correction in August and September to a price of level 1,135 €/t. For the rest of the year the prices remained below 1,200 €/t.

Ferrous scrap prices were less volatile, starting stronger in the first quarter with a price of USD 415 per tonne for Steel scrap HMS1&2 CFR Turkey. The weak economic outlook of the carbon steel industry in Europe and lower demand resulted in a price decrease below 400 $/t in March. Prices traded in a band between 350 and 400$/t for the remaining quarters of the year.

The Nickel market showed a structural over-supply of LME deliverable class 1 nickel from new refineries in China and Indonesia. Global exchange stocks at the LME and the SHFE stood at 77.9kt at the start of 2024 and more than doubled finishing the year with 198,6kt. The LME nickel cash price was 16,200 $/t on 2nd January and finished the year with 15,010 $/t. This was in the range of the marginal cost of conversion of nickel pig iron units into class 1 nickel units at around $15-16,000/t.

The Ferrochrome market in Europe and the US started in Q1 2024 with a price drop for the Ferrochrome Benchmark which was 1.44 $/lb reflecting weak downstream demand from stainless steel producers globally. Throughout Q2 chrome ore prices increased amid strong demand from Chinese ferrochrome smelters which supported the European benchmark price settling at 1,52 $/lb. The benchmark price publication was discontinued after Q2. As Fastmarkets is publishing a weekly Ferro-chrome benchmark indicator this is used for the time being as reference. On 1st of July the indicator was at 1.46 $/lb and decreased to 1.42 $/lb at the end of September and to 1.32 $/lb at the end of the year.

The start of the year has seen more positive pricing moves across all molybdenum markets on perceived supply tightness, in particular in China and Europe. In Q1, positive market dynamics have persisted in molybdenum markets as prices have moved marginally upwards on strengthening fundamentals and healthy Chinese demand. This development continued during Q2 which let Molybdenum withstand the general bear market trend in base metals. With the market very close to balance throughout the year Molybdenum prices traded range bound. Platt's Ferro-molybdenum price quotation was at 48,500 $/t at the start of the year and closed 2024 with 50,200 $/t.

Energy

Russia's invasion of Ukraine resulted in a fundamental change in energy supply to the EU, due to the gradual reduction of the Russian natural gas inflow into Europe ending up with a full termination by December 2024. As a result, Europe gradually became more sensitive to the LNG market signals, and, in particular, the evolution of the Asian LNG demand.

During the first quarter of 2024, prices temporarily corrected close to the pre-crisis levels under the pressure of favourable weather conditions, decreased demand as well as healthy LNG supply, whereas demand in the rest of 2024 showed a strong rebound driven by the growing geopolitical tensions around the Israel-Palestine conflict, as well as by the uncertainties related to the complete termination or continuation of the Russian pipeline flow post-December 2024.

Spot prices for natural gas TTF (Title Transfer Facility) in January 2024 averaged 30 EUR/MWh (compared to 62 EUR/MWh the year before) marking significant improvement as weather conditions were mild and industrial demand declined significantly. Despite strong price rebound going to the year end, low prices during the first quarter of 2024 (27 EUR/MWh) translated into an average 2024 price (34 EUR/MWH) 7 EUR/MWh lower than 2023. The average for 2024 was 12 EUR/MWh below the five-year average, although still almost twice and half that of 2019.

The contribution of natural gas-fired power plants to the EU generation mix decreased to 16%. However, their marginal production cost continued to set the electricity price signal most of the time. Meanwhile, renewable and nuclear sources further increased their share in the generation mix. In Belgium, the average electricity price was 77 EUR/MWh, approximately 27% lower than in 2023, while in France, it declined by 39% compared to the previous year. In Europe, the Group is renegotiating natural gas and electricity supply agreements with ArcelorMittal Energy S.C.A. In Brazil, the Timóteo production facility has a natural gas supply contract with a Brazilian supplier.

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 a couple of suppliers, with balancing requirements managed through short-term arrangements. The Group procures its industrial gas supplies using short or long-term contracts with various providers in different geographical regions.

As a stainless-steel producing company, Aperam is a large consumer of electricity and natural gas and manages its energy needs through a mix of forward hedges, spot and fixed price contracts. Therefore, the past energy and natural gas inflation had an impact during the whole year 2024.

Within this context, we sought to balance higher costs with efficiency gains and accelerated our procurement of electricity from renewables, mainly from on-site installations. This shows how important our 30% energy reduction target by 2030 is and that investments in energy savings have potentially high returns.

Impact of Exchange Rate Movements

At the end of 2023, the Euro traded at 1.1050 USD/Euro and 5.3516 Brazilian real/Euro. In 2024, the Euro depreciated by 6.0% against the U.S. dollar to reach 1.0389 USD/Euro and appreciated by 20.3% against the Brazilian real to reach 6.4363 Brazilian real/Euro.

Since a substantial portion of Aperam's assets, liabilities, sales and earnings are denominated in currencies other than the Euro (see Currency presentation), the Company 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 our operational results. 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.

Our Performance

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 year ending 31 December 2024 and is compared to the year ending 31 December 2023.

Key Performance Indicators

The key performance indicators used to analyse our 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 per operating segment for the year ending 31 December 2024 and compared to the year ending 31 December 2023:

Operating Segment	Sales for the Year Ending 31 December, (1)		Shipments for the Year Ending 31 December, (1) (2) (3)		Average Selling Price for the Year Ending 31 December, (1)		Changes in		
	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 (2) (4)	4,007	4,229	1,626	1,550	2,359	2,626	(5.2)	4.9	(10.2)
Services & Solutions	2,382	2,255	739	647	3,067	3,345	5.6	14.2	(8.3)
Alloys & Specialties	919	889	38	33	22,900	25,527	3.4	15.2	(10.3)
Recycling & Renewables (3)	1,950	1,977	1,464	1,373	1,332	1,440	(1.4)	6.6	(7.5)
Total (before intra-group eliminations)	9,258	9,350	3,867	3,603			(1.0)	7.3	
Others and elimination	(3,003)	(2,758)	(1,577)	(1,405)			8.9	12.2	
Total (after intra-group eliminations)	6,255	6,592	2,290	2,198			(5.1)	4.2	

Notes:
(1) Amounts are shown prior to intra-group elimination. For additional information, see Note 3 to the consolidated financial statements.
(2) Stainless & Electrical Steel shipment amounts are shown prior to intersegment shipments of 733,000 tonnes and 655,000 tonnes in the year ending 31 December 2024 and 2023 respectively.
(3) Recycling & Renewables shipment amounts are shown prior to intersegment shipments of 842,000 tonnes and 746,000 tonnes in the year ending 31 December 2024 and 2023 respectively.
(4) Includes shipments of special carbon steel from the Company's Timóteo production facility.

In 2024, sales decreased by (5.1)% compared to 2023 primarily due to lower average selling prices, partly offset by higher shipments.

Stainless & Electrical Steel

In 2024, Stainless & Electrical Steel sales (including intersegment sales) decreased by (5.2)% compared to 2023, the result of lower average steel selling prices in Europe and South America, partly offset by higher shipments.

Steel shipments for this segment (including intersegment shipments) increased by 4.9% to 1,626 thousand tonnes for the year ending 31 December 2024, of which 586 thousand tonnes were attributable to our operations in South America and 1,040 thousand tonnes were attributable to our operations in Europe, including intersegment shipments. This was down from 1,550 thousand tonnes for the year ending 31 December 2023, of which 571 thousand tonnes were attributable to our operations in South America and 979 thousand tonnes were attributable to our operations in Europe, including intersegment shipments. The average steel selling price for the Stainless & Electrical Steel segment decreased by (10.2)% in 2024 compared to 2023.

Stainless & Electrical Steel sales to external customers were €1,969 million for the year ending 31 December 2024, representing 31.5% of total sales, a decrease of (14.5)% as compared to sales to external customers of €2,302 million for the year ending 31 December 2023, 34.9% of total sales.

Services & Solutions

In 2024, Services & Solutions sales (including intersegment sales) increased by 5.6% compared to 2023, primarily due to 14.2% higher steel shipments, which was partly offset by (8.3)% decrease in average steel selling prices for the segment.

Services & Solutions sales to external customers were €2,292 million for the year ending 31 December 2024, representing 36.6% of total sales, an increase of 5.6% compared to the €2,171 million the segment sold to external customers in the year ending 31 December 2023, which represented 32,9% of total sales.

Alloys & Specialties

In 2024, Alloys & Specialties sales (including intersegment sales) increased by 3.4% primarily due to steel shipments being 15.2% higher, partly offset by an average steel selling prices being (10.3)% lower.

Alloys & Specialties sales to external customers were €903 million for the year ending 31 December 2024, representing 14.4% of total sales. This represented a 3.7% increase compared to €871 million in sales to external customers recorded for the year ending 31 December 2023, which represented 13.2% of total sales.

Recycling & Renewables

In 2024, Recycling & Renewables sales (including intersegment sales) decreased by (1.4)% compared to 2023, primarily due to decrease in average selling prices.

Recycling & Renewables sales to external customers were €1,091 million for the year ending 31 December 2024, representing 17.4% of total sales. This represented a (12.6)% decrease compared to €1,248 million in sales to external customers recorded for the year ending 31 December 2023, which represented 18.9% of total sales.

Operating income

The following table provides our operating income and operating margin for the year ending 31 December 2024, as compared to the year ending 31 December 2023:

	Operating Income / (Loss) Year Ending 31 December		Operating Margin Year Ending 31 December	
	2024	**2023**	**2024**	**2023**
Operating Segment, including	**(in millions of Euros)**		**(%)**	
Stainless & Electrical Steel	75	(25)	1.9	(0.6)
Services & Solutions	24	10	1.0	0.4
Alloys & Specialties	70	40	7.6	4.5
Recycling & Renewables	(2)	84	(0.1)	4.2
Total[(1)]	**129**	**89**	**2.1**	**1.4**

Note:
(1) Amounts shown include eliminations and other items of €(38) million and €(20) million for the years ending 31 December 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 year ending 31 December 2024, was €129 million, compared to an operating income of €89 million for the year ending 31 December 2023. Group operating income increased by 44.9%. Excluding an exceptional gain of €2 million made from €19 million PIS/Cofins tax credits related to prior periods recognized in Brazil, less €(9) million inventory stock take related adjustment and €(8) million of restructuring-related charges in 2024, and exceptional losses of €(11) million made from restructuring-related charges in 2023, the Group operating income increased by 27.0%. This was primarily due to lower valuation charges, higher volumes and a better mix. Phase 5 of the Leadership Journey® - the Transformation Programme - also contributed a gain of €95 million to the 2024 operating result when Phase 4 of the Leadership Journey® - the Transformation Programme - realised a gain of €64 million in 2023.

Stainless & Electrical Steel

The operating income for the Stainless & Electrical Steel segment was €75 million for the year ending 31 December 2024, of which an operating income of €37 million was attributable to our European operations, and an operating income of €38 million attributable to our operations in South America. This is compared to an operating loss of €(25) million for the year ending 31 December 2023, of which an operating loss of €(124) million was attributable to our European operations, partly offset by an operating income of €99 million attributable to our operations in South America. This clear increase in operating result was mainly driven by significantly lower valuation charges, higher volumes as well as a better product mix and in addition gains from the Leadership Journey®.

Services & Solutions

The operating income for the Services & Solutions segment was €24 million for the year ending 31 December 2024 (compared to €10 million for the year ending 31 December 2023). The higher operating income was mainly attributable to significant lower inventory valuation charge and higher shipments.

Alloys & Specialties

The operating income for the Alloys & Specialties segment was €70 million for the year ending 31 December 2024 (compared to operating income of €40 million for the year ending 31 December 2023). The increase is largely as a result of positive developments in key markets and rising volumes.

Recycling & Renewables

The operating result for the Recycling & Renewables segment was a loss of €(2) million for the year ending 31 December 2024. The operating income for the Recycling & Renewables segment was €84 million for the year ending 31 December 2023. The decrease is mainly due to lower prices.

Financing Income / (Costs)

Financing income / (costs) include interest income, interest expense, net foreign exchange and derivative results, and other net financing costs. Net financing costs were €(50) million for the year ending 31 December 2024, compared to financing income of €30 million for the year ending 31 December 2023.

Excluding the foreign exchange and derivative results described below, net interest expense and other financing costs for the year ending 31 December 2024 were €(42) million, compared to a net interest expense and other financing costs of below €(33) million for the year ending 31 December 2023.

Net interest expense and other financing costs also include recurring financing costs of €(59) million for the year ending 31 December 2024, of which the cash costs of financing accounted for €(48) million. This is compared to recurring financing costs of €(35) million for the year ending 31 December 2023, of which the cash costs of financing accounted for €(26) million. Cash costs of financing include interest and other expenses related to the servicing of debt and other financing facilities.

Realised and unrealised foreign exchange and derivative gains/losses accounted for a loss of €(8) million for the year ending 31 December 2024. This was mainly driven by unrealised and realised results on derivatives, and operating results on foreign exchange denominated sales and results on foreign exchange derivatives. In comparison, realised and unrealised foreign exchange and derivative gain for the year ending 31 December 2023 were €63 million. Foreign exchange results primarily relate to the accounting revaluation of non-Euro assets, liabilities, sales and earnings. Results on derivatives primarily relate to financial instruments used to hedge our exposure to nickel prices but which do not qualify for hedge accounting treatment under IFRS 9.

Income Tax

We recorded an income tax benefit of €154 million, which corresponds to a negative effective tax rate of (197)% for the year ending 31 December 2024. By comparison, our income tax benefit for the year ending 31 December 2023 was €87 million, which corresponds to a negative effective tax rate of (74)%. The change in the effective tax rate in 2024 compared to 2023 is mainly due to additional net deferred tax assets recognised on tax losses carried forward and other tax benefits.

Net Income Attributable to Equity Holders of the Parent

Our net result was a profit of €231 million for the year ending 31 December 2024, compared to a profit of €203 million for the year ending 31 December 2023.

Alternative Performance Measures

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

EBITDA

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

(in millions of Euros)

Year ending 31 December 2024	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others / Eliminations[1]	Total
Operating income / (loss)	75	24	70	(2)	(38)	**129**
Depreciation, amortisation and Impairment	(111)	(16)	(13)	(88)	(1)	**(229)**
EBITDA	**186**	**40**	**83**	**86**	**(37)**	**358**

(in millions of Euros)

Year ending 31 December 2023	Stainless & Electrical Steel	Services & Solutions	Alloys & Specialties	Recycling & Renewables	Others / Eliminations[1]	Total
Operating income / (loss)	(25)	10	40	84	(20)	**89**
Depreciation, amortisation and impairment	(106)	(14)	(9)	(72)	(3)	**(204)**
EBITDA	**81**	**24**	**49**	**156**	**(17)**	**293**

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 (including short-term investments). Gearing is defined as net financial debt divided by equity.

The following table presents a reconciliation of net financial debt and gearing, with amounts disclosed in the consolidated statement of financial position:

	December 31,	
(in millions of Euros)	**2024**	**2023**
Long-term debt	516	574
Short-term debt	244	360
Cash and cash equivalents	(216)	(443)
Net Financial Debt	**544**	**491**
Equity	3,366	3,450
Gearing	**16%**	**14%**

Free Cash Flow Before Dividend

Free cash flow before dividend 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 with amounts disclosed in the consolidated statement of cash flows:

	Year ending December 31,	
(in millions of Euros)	**2024**	**2023**
Net cash provided by operating activities	280	471
Net cash used in investing activities	(155)	(303)
Free cash flow before dividend	**125**	**168**

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' section. (See also the section entitled: 'Principal Risks and Uncertainties Related to Aperam and the Stainless and Specialty Steel Industry').

Outlook

On February 7, 2025, the Company released its fourth quarter and full year 2024 results, which are available on the Company's website (www.aperam.com) under the Investors > Reports and Presentations > Quarterly Reports section. As part of its prospects, the Company announced that Q1 2025 adjusted EBITDA is expected to be at a lower level versus Q4 2024. The Company also guided for a significantly higher Q1 2025 net financial debt due to the consolidation of Universal Stainless & Alloy Products Inc.

Aperam S.A. as the Parent Company

Aperam S.A., incorporated under the laws and domiciled in Luxembourg, is the parent company of the Aperam Group, a role it is expected to continue to play in the coming years.

The parent company was incorporated on 9 September 2010 to hold the assets that comprise ArcelorMittal's stainless and specialty steels businesses. As described in the parent company's articles of association, the corporate purpose of the company is the manufacturing, processing and marketing of stainless steel, stainless steel products and all other metallurgical products, as well as all products and materials used in their manufacturing, processing and marketing, and all industrial and commercial activities connected directly or indirectly with those objects, including mining and research activities and the creation, acquisition, holding, exploitation and sale of patents, licences, know-how and, more generally, intellectual and industrial property rights.

The parent company has its registered office at 24-26, Boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Register of Commerce and Companies under the number B155.908. The parent company directly or indirectly controls 92 subsidiaries.

The parent company generated a net loss[4] of €692 million in 2024, mainly due to €397 million of value adjustments in respect of financial assets and €352 million of capital losses made on the contribution of financial assets to affiliated undertakings.

On 31 December 2024, the Company had 895,263 own shares, for a total book value of €24 million.

[4] The net result has been established according to generally accepted accounting principles and in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg.

Liquidity

Liquidity and Capital Resources

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

Because Aperam S.A. is a holding company, it is dependent 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 described below are sufficient to meet the Group's present requirements.

Our cash and cash equivalents amounted to €216 million and €443 million as of 31 December 2024 and 31 December 2023 respectively.

Our total gross debt, which includes long and short-term debt, was €760 million and €934 million as of 31 December 2024 and 31 December 31, 2023, respectively. As of 31 December 2024, Aperam had €105 million (out of a total gross debt of €760 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 (including short-term investments), was €544 million as of 31 December 2024. This is compared to €491 million as of 31 December 2023.

Gearing, defined as net financial debt divided by total equity, was 16% as of 31 December 2024, close to the 14% recorded on 31 December 2023.

As of 31 December 2024, the Company had a total liquidity of €1,396 million. This included €216 million in cash and cash equivalents (including short-term investments), €680 million in committed credit lines (unsecured revolving credit facilities of €700 million) at the Aperam SA level, and €500 million undrawn bridge term facility for the acquisition of Universal Stainless & Alloy Products Inc.

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

Financing ***€500 million 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 26, 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 December 31, 2024, and December 31, 2023, this financial covenant was fully met.

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

€300 million 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 contains a financial covenant being a maximum consolidated total debt of 90% of consolidated tangible net worth. On December 31, 2024, and December 31, 2023 this financial covenant was fully met.

The Loan was fully drawn as of December 31, 2024 and December 31, 2023 at a rate of 1.52%.

€200 million 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 31 December 2024, and 31 December 2023, this financial covenant was fully met.

On September 9, 2024, Aperam confirmed the extension of the maturity of the Facility by one year, until September 22, 2027.

On 31 December 2024, an amount of €20 million was drawn under the Facility at an interest rate range of 4.27%. On 31 December 2023 an amount of €120 million was drawn under the Facility at an interest rate range between 4.67% and 4.76%.

EIB Financings

On 27 June 2016, Aperam and the European Investment Bank (EIB) announced the signing of a financing contract in the amount of €50 million, which was dedicated to financing a research and development programme over the 2016-2019 period, as well as an upgrade to two plants located in cohesion regions in France and 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 16 October 2018, at a rate of 1.669%, with a final maturity date of 16 October 2028.

On 25 February 2019, the Company announced the signing of a financing contract where the EIB made €100 million available to Aperam. The purpose of this contract was 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 15 March 2019, at a rate of 1.307%, with a final maturity date of 15 March 2029.

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

The Loans contain a financial covenant being a maximum consolidated total debt of 90% of consolidated tangible net worth. On December 31, 2024, and December 31, 2023 this financial covenant was fully met.

On 31 December 2024, an amount of €150 million was outstanding on these EIB financings. On 31 December 2023, an amount of €177 million was outstanding on these EIB financings.

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 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.

The Loan contains financial covenants. On December 31, 2024, and December 31, 2023 these financial covenants were fully met.

On 27 March 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.

€500 million Bridge Credit Facility

On 25 October 2024, Aperam entered into a bridge term facility agreement (hereinafter, "Facility") of €500 million with a syndicate of five core relationship banks. The Facility has a maturity of 12 months and two options of extension by 6 months. The purpose of this agreement was to finance the acquisition of Universal Stainless & Alloy Products Inc. and its related fees, costs and expenses but also the refinancing of existing financial indebtedness of the Company.

On 31 December 2024, the Facility was fully undrawn.

Commercial Paper Programme

On 10 July 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 11, 2024, the size of the programme has been increased by €50 million to reach a new maximum outstanding amount of €250 million. On 31 December 2024, an amount of €145 million was drawn under the Aperam NEU CP programme. On 31 December 2023, an amount of €135 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 31 December 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 amount of receivables sold as of December 31, 2024 and 2023 were €381 million and €380 million respectively.

The total amount of receivables sold under the TSR programme and derecognised in accordance with IFRS 9 for the years ending 31 December 2024 and 2023 were €2.6 billion and €2.8 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 €(21) million and €(23) million in 2024 and 2023 respectively.

Recent Developments

On 14 February 2025, Aperam entered into a financing package with International Finance Corporation, a member of the World Bank Group to support Aperam's decarbonization efforts through the production of sustainably-produced charcoal, a renewable fuel for steel manufacturing (instead of commonly used coke).

IFC's €250 million financing package includes up to €150 million from IFC's own account and up to €100 million in mobilized funds from other lenders, such as ING. This funding will bolster the sustainable forest management program of Aperam BioEnergia, Aperam's forestry and renewable energy subsidiary in Brazil. Aperam BioEnergia manages 150,000 hectares of forest, including over 40,000 hectares of natural vegetation preserves and wildlife corridors. Aperam has fully replaced mineral coal with charcoal from FSC®-certified forests in its Brazilian production facilities, significantly reducing its carbon footprint.

The investment will support the acquisition of complementary eucalyptus plantations and the modernization of Aperam's charcoal-producing kilns with cleaner and more efficient technology, further enhancing the sustainability of Aperam BioEnergia's operations. Additionally, it will finance the increase of its seedling nursery capacity to meet the growing demand for superior qualitative seedlings from other forestry companies and the development of improved tree varieties that yield higher biomass while requiring fewer resources, such as water. Finally, as a key innovation, this investment will help pioneer the company's commercial-scale production of bio-oil, captured from the waste of the charcoal production process. This bio-oil can replace synthetic fuel products, helping to avoid GHG emissions and improving the circularity of Aperam's operations.

Credit Ratings

On 13 June 2019, Aperam announced that it had 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 at that time and the nature of its funding needs, the credit rating services were no longer considered necessary.

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

On 15 July 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

Earnings Distribution

Dividend

Technicalities

As from 2019, 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.

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, subject to shareholder approval at the 2024 Annual General Meeting. On 30 April 2024, at the 2024 Annual General Meeting, the shareholders approved a base dividend of €2.00 per share. The dividend was paid in four equal quarterly instalments of €0.5 (gross) per share.

In 2025

On 7 February 2025, Aperam announced its detailed dividend payment schedule for 2025. The Company proposes to maintain its base dividend of €2.00 per share, subject to shareholder approval at the 2025 Annual General Meeting of 06 May 2025. The dividend payments would occur in four equal quarterly instalments of €0.5 (gross) per share in 2025 as described below in the detailed dividend schedule:

	1st Quarterly Payment (interim)	2nd Quarterly Payment	3rd Quarterly Payment	4th Quarterly Payment
Announcement Date	February 20, 2025	May 12, 2025	August 11, 2025	November 12, 2025
FX Exchange Rate	February 21, 2025	May 13, 2025	August 12, 2025	November 13, 2025
Ex-Dividend	February 25, 2025	May 15, 2025	August 14, 2025	November 17, 2025
Record Date	February 26, 2025	May 16, 2025	August 15, 2025	November 18, 2025
Payment Date	March 20, 2025	June 12, 2025	September 11, 2025	December 12, 2025

Share Buy-back

Corporate authorisations

No specific corporate authorisation for any share buy-back program was granted in the course of 2024.

On May 29, 2024 Aperam announced the cancellation of shares. Aperam announced that 4,852,118 shares have been cancelled in line with its financial policy. 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).

Aperam did not perform any share buy-back program in the course of 2024.

Sources and Uses of Cash

Equity

Equity attributable to the equity holders of the parent company decreased, from €3,442 million on 31 December 2023 to €3,354 million as of 31 December 2024. This is primarily due to €(183) million in foreign currency translation adjustments, €(144) million dividend declaration, and €(3) million of change in recognised actuarial gains and losses, partially compensated by a net profit of €231 million for the year, €5 million in other movements, recognition of €4 million in share-based payments, and €2 million of change in unrealised results on derivative financial instruments.

The following table presents a summary of our cash flows for the year ending 31 December 2024 and compared to the year ending 31 December 2023:

	Summary of Cash Flows	
	31 December	
	2024	2023
	(in millions of Euros)	
Net cash provided by operating activities	280	471
Net cash used in investing activities	(155)	(303)
Net cash used in financing activities	(336)	(152)

Net Cash Provided by Operating Activities

Net cash provided by operating activities amounted to €280 million for the year ending 31 December 2024, compared to €471 million for the year ending 31 December 2023. The €191 million decrease in net cash provided by operating activities between 2023 and 2024 was mainly due to a lower release of €44 million in operating working capital in 2024, compared to a release of €(248) million in operating working capital in 2023, and higher interest paid net by €21m, partially offset by higher operating income of €129 million in 2024 compared to €89 million in 2023.

Net Cash Used in Investing Activities

Net cash used in investing activities amounted to €(155) million for the year ending 31 December 2024, compared to €(303) million for the year ending 31 December 2023. The net cash used in investing activities for the year ending 31 December 2024 was mainly related to €152 million in capital expenditures and €14 million in purchases of biological assets, compared to €250 million in capital expenditures and €51 million in purchases of biological assets for the year ending 31 December 2023. In addition, we had €(11) million and €2 million of other investing activities in 2024 and 2023 respectively.

Net Cash Used in Financing Activities

Net cash used in financing activities was €(336) million for the year ending 31 December 2024, compared to €(152) million for the year ending 31 December 2023. Net cash used in financing activities for the year ending 31 December 2024 was primarily due to €(145) million of dividend payments, €(19) million of lease payments and €(172) million of net payments to banks. Net cash used in financing activities for the year ending 31 December 2023 was primarily due to €(145) million of dividend payments, €(15) million of lease payments and €8 million of net proceeds from banks.

Capital Expenditure[5]

Capital expenditures for the years ending 31 December 2024 and 2023 were €152 million and €250 million respectively.

[5] Capital expenditure is defined as purchase of tangible assets and intangible assets, net of change in amount payables on these acquisitions

A Strong Focus on Self-help Measures

From its inception, 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 remain focused on achieving Phase 5 of the Leadership Journey® through a combination of cost, growth and mix improvement measures.

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

Leadership Journey® Phases and Target Gains Template

Phase	Target Gains	Period	Focus	Realized Gains
Phase 1: 2011-2013 Restructuring & cost cutting	€50 million	2011-2013	Restructuring and cost cutting projects, including streamlining operations, optimizing the supply chain, and reducing overhead costs	€462 million
Phase 2. 2014-2017 Upgrading best performing assets	€100 million	2014-2017	Upgrading best performing assets to increase production capacity, improve product quality, and reduce maintenance costs. This may include investing in new technology, expanding existing facilities, or acquiring complementary businesses	
Phase 3: 2018-2020 Transforming the Company	€150 million	2018-2020	Transformation initiatives, such as implementing new business models, entering new markets, or developing new products and services. This may also include organizational restructuring, cultural change, and leadership development	€223 million
Phase 4: 2021-2023 Combining growth, mix and cost improvements	€150 million	2021-2023	Cost, growth, and mix improvement measures, such as optimizing pricing strategies, improving product mix, and reducing waste. This may also include expanding into new markets, developing new products, and improving customer service	€186 million
Phase 5: 2024-2026 Efficiency	€200 million	2024-2026	Efficiency improvements across all areas of the business, including operations, procurement, logistics, and sales. This may include implementing lean manufacturing principles, automating processes, and improving supplier relationships. It also includes a €50 million structural cost reduction plan	€95 million in 2024

Leadership Journey® initiatives and total target gains Phase 5

Aperam's Leadership Journey® has entered Phase 5, Efficiency, with the goal of achieving €200 million in gains between 2024 and 2026. These gains will be realized through a combination of variable and fixed cost savings, as well as improvements in purchasing and mix. Phase 5 also includes a €50 million structural cost reduction plan. Aperam will consult with its social partners on any potential social impact relating to employment, such as implementing a voluntary separation plan.

In Q4 2024, Phase 5 of the Leadership Journey® achieved gains of €49 million, for a total of €95 million in 2024 versus the targeted €200 million for the 2024 to 2026 period. The company's financial performance benefited from a range of strategic initiatives and operational improvements:

- Scrap Optimization: The company achieved notable cost savings by optimizing its scrap performance. This involved reducing the use of expensive pure Nickel (Ni) and FerroNickel (FeNi) materials, thereby lowering raw material costs and improving margins.
- Europe Footprint Initiative: Several key projects under this initiative contributed to improved operational efficiency and cost reduction. These included the new cold annealing and pickling line (BUL4) and cold rolling mill (CRM5) project, the Phoenix project, the AOD2 (argon oxygen decarburisation) new converter in Genk, the new slitting line (BS5) project, and the Chatelet new heavy down coiler (CHT Coiler).
- Alloys Growth Strategy: The company's strategic focus on Strip and Sheets non-LNG products in the electric & corrosion segment yielded positive results, aligning with growth targets.
- Brazilian Operations: While the ramp-up of the HRM1500 (hot rolling mill project 1500mm) and the new HSM (hot strip mill) Steckel in Brazil faced challenges, leading to volume losses, these were partially offset by gains in variable costs and strong performance in the BioEnergia division. The company has revised its forecast and expects to recover some of the 2024 losses in the coming years.
- Commercial Gains: The company consistently achieved commercial gains in the S&S segment, contributing to overall revenue growth.
- Additional Variable Management: The company continues to implement additional variable management measures to further optimize costs and enhance profitability. Looking at achieving the next milestone, Phase 5 of the Leadership Journey®: Efficiency

In 2025, Aperam will continue its efforts to ensure progress of Phase 5 of its Leadership Journey®.

Corporate Governance

Corporate Responsibility

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, community engagement and corporate citizenship.

Our Sustainability Roadmap is threefold and is at the core of our strategy and identity.

On 23 September 2021, Aperam announced that its Stainless Europe operations were successfully certified to be operating at the ResponsibleSteel™ Standard by the independent auditors AFNOR. This made Aperam the first stainless steel company to earn a site-level certification.

The ResponsibleSteel™ initiative is the first global sustainability certification programme for the steel sector and its certification follows a stringent external audit of the company's practices in Environment, Social and Governance.

Becoming the first stainless steel player to be certified under the ResponsibleSteel™ Standard is reassurance to our stakeholders that we produce responsibly. With Aperam, our customers have selected a partner of choice, 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. At Aperam, we are convinced that true business success can only be achieved through social and environmental sustainability, and we will pursue our strategy to further embed sustainability within all our processes. Aperam is proud to be an industry leader in the field of Corporate Responsibility, and we are delighted that all our teams' efforts on sustainability and responsibility, as evidenced by our industry-leading CO_2 footprint, have been fully recognised with an all encompassing third-party certification.

The ResponsibleSteel™ Standard, which was designed together by business partners and NGOs with the aim of promoting steel as a responsible material of choice, consists of 13 principles and more than 200 requirements that set the benchmark for responsible steel production. These cover such fields as:

- Governance and ethics
- Health & Safety and other labour and human rights
- Climate change, greenhouse gas emissions and biodiversity
- Water stewardship and other environmental impacts
- Stakeholder engagement and local community relations

In accordance with the standard process, Aperam's sites were screened based on written documentation, and underwent on-site audits by third-party auditors from AFNOR. The analysis was completed by dozens of exchanges with our external stakeholders, including officials, neighbours, associations, subcontractors, employees and unions. An independent Assurance Panel reviewed the final audit reports and agreed with the audit team's conclusion that Aperam met the criteria required to be ResponsibleSteel™ certified.

The audit of Aperam's Stainless Europe facilities took place in June 2021, with a recertification renewed in 2024, and included Aperam's Châtelet, Genk, Gueugnon, Isbergues and Saint-Denis sites in Belgium and France. Aperam South America, primarily our Timóteo site, was audited in September 2022, with a certification being awarded in January 2023.

Social Responsibility

Our commitment to a safe and healthy workplace

Our first duty as an employer is to ensure that no one working for Aperam, our employees and subcontractors alike, suffers any harm from their work. For this reason, all Aperam Group teams work in unison to make sure appropriate mindsets and procedures (including certifications such as OHSAS 18.001) are always in place across the organisation. This commitment is also reflected in the personal objectives allocated to each Aperam employee.
Furthermore, we continue to work on programmes to support the health and well-being of our employees.

With the introduction of our revised H&S paradigm in 2023 (for more details, see our 2023 Sustainability Report) and the creation of the Divisional Lead functions (which focus on transversal steering and the implementation of the Global H&S Roadmap), we took an important step in our journey of becoming a sustainably safe company.

When looking at our lagging indicators (see in detail on section Sustainability Information), we clearly see an improvement over the year. Our Lost Time Injury Frequency Rate (LTI FR), which measures the time lost due to injuries, dropped from 2.4x in 2022 to 2.3x in 2023 to reach 1.8x in 2024. Our TRIR (Total Recordable Injury Rate), which looks at the number of total recordable incidents, went from 7.1 in 2022 to 4.69 in 2024.
The severity rate of accidents was recorded at 0.15 in 2022, 0.14 in 2023 and 0.15 in 2024. This was mainly the result of the fatality of a subcontractor that happened in 2024 in Châtelet.
In spite of this terrible blow, we believe that strict H&S protocols and strict standards, along with a focus on our culture and well-being as our leading indicator set, is the right path to follow and so, our 2026 target on TRIR remains unchanged, at <3 for the Group.

For more information on our indicators, please see our Methodological Note in the Sustainability Information section below.

People development and motivation

We believe that our employees' added-value appreciates over time with an expertise that is constantly being enhanced with on-the-job experience and training and greater autonomy - all of which are essential to continuous innovation and efficiency. This is why regularly monitoring the performance of our workforce over time and identifying well-defined training needs, is so essential.

Experienced employees also help with onboarding newcomers via a structured mentoring process or simply through day-to-day on-the-job training. But to ensure they can do this with perfect efficiency, we have expanded the coverage of the Learning Management module of our People Management Information System. This allows us to optimise the various learning opportunities provided to our teams, integrate more employees into the Performance Management module for an efficient feedback process, and develop our new culture of continuous capacity building.

In order 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 further improve 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 for in the steel industry, while in France, *Capital* magazine rates us among the best employers in the 'Heavy Industry & Metals' sector.

⇨ In 2024, our People Engagement Survey (ex-Climate Survey) indicates that 7.8 out of 10 employees would recommend Aperam as being a good place to work - the exact same score for three years in a row, but on a much larger basis, since the Group response rate jumped in the last year from 77% to 88%.

An experienced and dynamic Leadership Team with an aligned organisation

Aperam benefits from the experience and industry know-how of its Leadership Team. The team has nine members, including the Chief Executive Officer (CEO), Mr. Timoteo Di Maulo. Mr. Di Maulo has more than 30 years of experience in the stainless steel industry, having held a number of positions in the controlling, purchasing, logistics and commercial areas, along with having been CEO of different units within the Group.

Mr. Di Maulo is supported by the other members of the Group's senior management team. This includes Chief Financial Officer (CFO) Mr. Sudhakar Sivaji, who has more than 20 years of experience in finance and transformation projects and who has spent the last 13 years in the steel industry.

The other members of the Leadership Team are: Mrs. Vanisha Mittal Bhatia, Chief Strategy Officer; Mr. Nicolas Changeur, Chief Executive Officer Services & Solutions and Chief Marketing Officer Stainless & Electrical Steel Europe; Mr. Jan Hofmann, Chief Executive Officer Recycling & Renewables, and Chief Sustainability Officer ; Mr. Frederico Ayres Lima, Chief Executive Officer and Chief Marketing Officer Stainless & Electrical Steel South America; Mr. Bert Lyssens, Chief Human Resources Officer and Head of Communications; Mr. Frédéric Mattei, Chief Executive Officer Alloys & Specialties and Chief Innovation Officer; and Mr. Geert Verbeeck, Chief Executive Officer Stainless & Electrical Steel Europe.

The collective industry knowledge and leadership of Aperam's Leadership Team, along with their record of accomplishment in responding to challenging economic conditions, are key assets to Aperam's business.

The Group has also introduced various initiatives to improve the engagement and development of its employees, including an appraisal system based on broader feedback from colleagues, competency assessments, an extensive digital learning offer with generic and home-made courses, mentoring and coaching programmes, management meetings dedicated to people development topics and performance based bonuses.

Company-wide objectives are cascaded into the individual objectives of all exempts across the organisation. This helps improve the alignment of our organisation around strategic goals and creates a culture of accountability and 'Management by Objectives'. Since 2020, we have further improved our internal alignment on our Sustainability Roadmap by linking performance objectives with Environment, Social and Governance outcomes.

Social dialogue and employee relations

Social dialogue is a key component in our ability to engage with and motivate our people. Employee representatives and unions are not only a natural and legal intermediary for our staff, they are also a key business partner in discussions regarding the sustainability of our operations. This is why we always promote a positive dialogue, ensuring the right to collective bargaining at our sites and having collective labour agreements in place at our major operations sites. We also promote direct dialogue with all our employees and ensure everyone has access to our HR policies.

⇨ In 2024, Aperam maintained a high level of social dialogue, sharing the strategy and the situation of the company. This was achieved in a quite challenging context created by high energy costs and general inflation combined with low prices, which led to unfair trade bargains between different countries. Our regular meetings with the European Work Council focused on how Aperam managed the commercial and costs impacts of this situation in Europe, as well as the extension of the Leadership Journey® (Phase 5) and the responsible restructuring measures initiated (see Q4 2024 Earnings Release).

Human Rights and diversity

Aperam's commitment is detailed in its Human Rights policy, with its initial diversity programme focused on Gender equality and diversity. Built around 10 principles inspired by the United Nations' Women Empowerment Principles, the policy covers all the aspects linked to equal opportunities (career, remunerations), as well as those related to safe working conditions (free from harassment, fighting stereotypes). Our procedures integrate a systematic, gender-based analysis, and regular communication campaigns are organised to combat all possible types of discrimination.

To nurture a positive and inclusive company culture and management style gathering our multiple countries of operations, Aperam celebrates an Inclusion & Diversity month (in March), and regularly updates its processes and policies, such as its new Human Rights policy.

⇨ The company constantly monitors gender-related gaps in promotions and salary (for comparable jobs). While it continues to provide remunerations above the market median, in 2024, Aperam reported a 7.8% salary gap (favouring men, including the ELG perimeter), from 7.7% in 2022 (excluding the ELG perimeter).

We support the United Nations' Sustainable Development Goal 5 (Gender Equality).

Stakeholder Relationships

Corporate Citizenship

We strive to maintain constant engagement, benevolence and transparency with all our stakeholders, in line with our values and commitment to Corporate Responsibility. Through our actions and the way we keep our word, we aim to earn their trust and protect our business relationships, as well as our social licence to operate.

Community engagement

Aware that our success depends on the well-being of the communities we operate in - the home of our current and future employees, suppliers and end-users - we always try to mitigate any possible nuisance and organise our development in a fully respectful manner.

We engage openly with local stakeholders, such as neighbours and local authorities, to maintain sound and sustainable local relationships, especially at our larger plants.
This commitment is reflected in a public policy released in 2021 and updated in 2024. It details our communication strategy for ensuring that a quality dialogue is in place, in line with the populations' needs, the true impact of our sites, and with the materiality assessment expected by the best governance standards (GRI and Corporate Sustainability Reporting when applicable).

We are often a key employer in the regions we operate in, and in such cases our local economic impact goes well beyond creating direct jobs and paying wages and taxes. An organisation like ours can indirectly attract additional revenue to the local economy by supporting local partners in the supply chain, especially in remote settings or areas with high unemployment rates. We also have a responsibility on various local issues such as traffic and noise.

At its main sites, Aperam aims to develop local partnerships and programmes to support neighbouring communities on topics relating to local development and, more specifically, employment, education, culture and the environment. In Brazil, we do this primarily through our Aperam Acesita Foundation, which supports many projects and partnerships across Minas Gerais, and through numerous local programmes in the country.

⇨ In 2024, our Aperam Acesita foundation also continued its work on education for children and adults, culture empowerment (with respectively around 8,900 and 56,000 beneficiaries), and environmental awareness, particularly through the Oikos Environmental Education centre (over 28,000 beneficiaries), a 989 hectare piece of Atlantic forest, which houses numerous springs and species of fauna and flora and hosts several activities, including visits for scholars or training courses in partnership between the Foundation and the National Rural Learning Service (Senar). Our Foundation's actions cover both the region of our Timoteo site, in the Steel Valley, as well as the Jequitinhonha Valley, where our BioEnergia forestry is located.

We support the United Nations' Sustainable Development Goal 11 (Sustainable Cities and Communities).

Cooperation with authorities

As a responsible company, Aperam aims to sustain sound relationships with local authorities and regulators, which represent the interests of the general public, without interfering in the democratic debate. In addition to complying with regulations, we cooperate fully with the authorities and respond diligently when requested. Aperam does not usually participate in the public debate directly and relies primarily on its professional associations (primarily EUROFER, in Europe, and the Brazil Steel Institute in Brazil) to transparently promote its business interests.

In addition, no support is ever granted by Aperam to any specific party, and the only financial contribution made to authorities is in the form of the taxes and duties owed, which we pay scrupulously.

We support the United Nations' Sustainable Development Goal 16 (Peace, Justice and Strong Institutions).

To learn more on our Ethics and Compliance, please refer to section Business Ethics.

Responsibility in the supply chain

As part of our Corporate Responsibility programme and in line with our recently updated Responsible Purchasing policy, we have screening processes in place to assess our potential partners alignment with our ethics and compliance policies and sustainability issues, including our Human Rights and Environmental responsibilities. For our main suppliers, this screening is organised on a continuous basis, based on an annual survey and combined with regular reviews.

Specific awareness is provided to our suppliers with respect to our Responsible Sourcing principles. This includes:

- principles enacted within our Code of Responsible sourcing, which is sent to all our suppliers every year and has been reviewed in 2024;
- our code of business conduct, including human rights principles, stakeholder engagement and environmental stewardship;
- our general terms and conditions;
- participation in regular assessments, and
- an obligation of immediate information and remediation plan in the event of significant incidents (e.g., those that impact local communities or the environment).

Working with suppliers that do not comply with our high ethical standards is not aligned with our practices. When our due diligence concludes that a situation deviates from our standards and is not likely to be remediated and improved, and/or our demands in terms of information or monitoring remain insufficiently addressed, the business relationship can be either suspended or terminated.

Transparency

Since 2012, Aperam has publicly reported on its Sustainability Roadmap in our annual 'Made for Life' report. Based on best practices, this report follows the Global Reporting Initiative's framework and is verified by an external audit firm.

Since 2017, this report has been complemented with three online supplements for each of the three countries we operate in (Belgium, Brazil, France), representing then over 80% of our total global workforce. These supplements ensure that key national metrics and yearly developments are available in the local language(s) of our employees and other local stakeholders (and English). In 2024, we delivered these supplements in the form of videos.

Furthermore, each of our main sites display a dashboard with a few key ESG indicators at their entrance, as well as information on accessing our contact form. This ensure that all our local stakeholders know who we are and can freely interact with us.

⇒ On 24 April 2024, Aperam published its 'Made for Life' report that details the progress we made on our path to sustainability in 2023. Additional sustainability information, in line with regulations, are available in the Sustainability Information section below.

Business Ethics

Ethics and Compliance

Business Ethics and Fair Dealings

At Aperam, ethics are governed by the Aperam Code of Business Conduct, which establishes the behavioural standards to be followed by all employees and directors of Aperam in the exercise of their duties. This Code specifies the 'do's and don'ts' that apply in all our countries of operations. It addresses topics ranging from the fight against discrimination up to the expectations of our business partners, be they customers or suppliers. It also covers the numerous facets of conflict of interest: an Aperam employee should always act in the best interests of the Company and must avoid any situation in which their personal interests could conflict with their obligations to Aperam.

Any behaviour that deviates from the Code of Business Conduct is to be reported (see Process for handling complaints below) and sanctions can apply, up to termination, as we have a zero-tolerance policy for non-compliant behaviours.

Code of Business Conduct training happens on arrival at Aperam via an induction training and is regularly repeated to ensure it remains top-of-mind. A set of additional policies, published externally, detail Aperam's stance on such key topics as anti-corruption and money laundering, gift and entertainment, antitrust, data privacy and human rights, to name a few. These policies come with operational guidelines that are regularly updated in line with current best practices and with regularly refreshed training routines. Our key policies are available in the section Investors > Corporate Governance > Corporate Documentation of Aperam's website (www.aperam.com)

Process for Handling Complaints

Our Prevention of Misconduct & Whistleblowing Policy encourages all employees to report any violation of the Aperam Code of Business Conduct, including but not limited to, all issues related to fraud, corruption and conflicts of interests, along with matters and irregularities related to health, safety, the environment, human rights and data privacy. Reporting should be done using the employee's direct reporting lines, the compliance correspondents, HR or internal audit, but also using the Aperam whistleblowing line, available in the footer of the Whistleblower section of the Aperam homepage (www.aperam.com).

⇒ In 2024, there were 31 allegations relating to fraud, corruption and conflicts of interests that were referred to the Group Global Assurance Department, out of which 10 led to in depth investigation. At the end of 2024, 8 forensic cases had been investigated, with seven cases considered to be founded, but without material impact on Aperam accounts and one case unfounded. These cases are reviewed by the Audit, Risk and Sustainability Committee, which makes a report to the Board of Directors.

A Compliance-focused Workforce

In a global organisation like Aperam, it is of the utmost importance to ensure that all employees are at all times fully aligned with the corporate governance and compliance framework and that a zero tolerance policy for non-compliant behaviours is achieved.

To fully implement this culture, the Group continuously improves its corporate governance and compliance framework and practices, as well as its employees' overall awareness of the subject. For instance, Aperam invests a lot of effort making sure all its numerous policies are well understood, in topics as varied as anti-corruption and anti money laundering to antitrust, conflicts of interest, and data privacy. We do this using a network of compliance correspondents who spread the word at our sites and from the C-suite down to the shop-floor. We also use a specific Ethics & Compliance Academy on our Learning Management System that features off-the-shelf courses and tailor-made learning modules available in many languages. We further use automated processes like the annual Compliance Certificate and the declarations of potential conflicts of interests, which are based on MyHR, our People Management System. This allows it to deliver effective training while protecting the confidentiality of data and by leveraging all the features of a powerful ERP (master people database, automatic notifications, reminders).

⇒ Other key actions taken in 2024 include the in-house deployment of two compliance e-learning modules focused on anti-corruption and whistleblowing. We also held the sixth edition of our Fraud Awareness Week.

Global Assurance

Aperam has a Global Assurance function that, through its Chief of Global Assurance, reports directly to the Audit, Risk and Sustainability Committee. The vision of the Global Assurance function is to be an agile and trusted advisor that provides value-adding assurance services and facilitates change through a talent pool of future business leaders. The function, which uses best-in-class methodologies in line with the Institute of Internal Auditors (IIA) standards, is staffed by full-time professional staff located at our Head Office in Luxembourg and at the main production sites in Europe and Brazil. The function supports the Audit, Risk and Sustainability Committee and the Leadership Team in fulfilling their oversight responsibilities in governance, risk management, compliance and forensic services. Recommendations to improve the internal control environment are made by the Global Assurance function and their implementation is reviewed quarterly by the Audit, Risk and Sustainability Committee.

Independent Auditors

The selection and determination of fees of the independent auditors is the direct responsibility of the Audit, Risk and Sustainability Committee. The Audit, Risk and Sustainability Committee is further responsible for obtaining, at least once a year, a written statement from the independent auditors that their independence has not been compromised. The Audit, Risk and Sustainability Committee has obtained such a statement of independence from Aperam's key independent auditors, as well as a confirmation that none of its former employees are in a position within Aperam that may compromise the auditor's independence. The appointment of the independent auditors is submitted to shareholder approval.

Audit fees in 2024 were €2.4 million for the auditing of financial statements. Please refer to Note 30 to the Consolidated Financial Statements for further details.

Measures to Prevent Insider dealing and Market Manipulation

The Board of Directors of Aperam has adopted Insider Dealing Regulations (IDR), which are updated when necessary and in relation to which training is conducted throughout the Group. In 2016, the IDR were updated following the automatic implementation on 3 July 2016, in all EU member states, including Luxembourg, of Regulation No 596/2014 of the European Parliament and the Council of 16 April 2014, on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

The IDRs are available on Aperam's website (www.aperam.com) under the section 'Investors > Corporate Governance > Corporate Documentation'.

The Board of Directors has appointed the Company Secretary to act as the IDR Compliance Officer, responsible for responding to questions about the IDR's interpretation. Aperam maintains a list of insiders as required by law. The IDR Compliance Officer may assist senior executives and directors with the filing of notices required by Luxembourg law which are to be filed with the Luxembourg financial regulator, the CSSF (*Commission de Surveillance du Secteur Financier*). Furthermore, the IDR Compliance Officer has the power to conduct investigations in connection to the application and enforcement of the IDR, in which any employee or member of senior management or of the Board of Directors is required to cooperate with.

Data Privacy & Cybersecurity

Cybersecurity

Cyber threats continue to evolve, requiring constant adaptation and enhancement of our cybersecurity defenses. Aperam has established a robust Cybersecurity Strategy aligned with international best practices and standards, including NIST CSF 2.0 and ISO/IEC 27001.

In addition to implementing and strengthening technical controls across Aperam's information systems, we have placed a strong emphasis on enhancing our detection and response capabilities. By continuously refining these measures, we ensure a proactive approach to identifying and mitigating potential threats.

User awareness remains a key priority in our cybersecurity framework. Recognizing that social engineering attacks target human vulnerabilities, we actively educate our employees through a variety of training programs, including short courses, videos, quizzes, and newsletters. To reinforce this knowledge, we organize special events like Cybersecurity Week, ensuring employees remain vigilant and well-informed about emerging cyber risks.

Looking ahead, we remain committed to strengthening and adapting cybersecurity controls throughout 2025. Our focus will be on maintaining a high level of vigilance, improving our ability to detect, respond, and recover from potential cyber threats, and ensuring that our organization remains resilient in the face of evolving cyber challenges.

Global Data Privacy at Aperam

As an international company with global systems and teams located both in and outside of Europe, Aperam not only enforces the European General Data Protection Regulation (GDPR), but also addresses local regulations with international data flows and processings. As such, Aperam's Data Protection team is supported by a trained network of local data protection correspondents at the site level.

A Data Protection Committee is also in place to review the Data Protection Department's roadmap, along with our ongoing actions and exchanges with authorities. The relevant Lead Supervisory Authority for the Group is the national authority of Luxembourg, the CNPD. Aperam also sees compliance with the GDPR as an opportunity to rethink its day-to-day activities and customer relationships, beyond the protection of all its stakeholders' privacy.

Leadership & Governance

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

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

Composition of Board of Directors

The Board of Directors is in charge of the overall management of the Company. It is responsible for the performance of all acts of administration necessary or useful to implementing the Company's corporate purpose as described in the Articles of Association, except for matters expressly reserved by Luxembourg laws or the Articles of Association to the general meeting of shareholders.

On 30 April 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.

The election of members of the Board of Directors is an agenda item published in the Company's convening notice to its shareholders' meetings. Members of the Board of Directors are elected by a simple majority of the represented shareholders at an ordinary general meeting of shareholders. The directors of Aperam are elected for three-year terms.

No member of the Board of Directors has entered into a service contract with Aperam or any of its subsidiaries providing for benefits upon the end of his or her service on the Board. All non-executive Directors of the Company signed the Company's Appointment Letter, which confirms the conditions of their appointment, including compliance with a non-compete provision, the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange, and the Company's Code of Business Conduct.

The members of the Board of Directors as of the date of this Annual Report are set forth below (please find additional information our website). The terms of the members of the Board of Directors expire at the Annual General Meeting of Shareholders as described in the table below.

Name	Age[(1)]	Position within the Company [(2)]	Date joined Board	Term expires
Mr. Lakshmi N. Mittal	74	Chairman of the Board of Directors	December 2010	May 2025
Dr Ros Rivaz[(4)]	69	Lead Independent Director	May 2020	May 2026
Mrs. Bernadette Baudier[(3)]	64	Director	May 2019	May 2025
Mrs. Roberte Kesteman[(3) (4)]	67	Director	May 2022	May 2025
Mr. Sandeep Jalan	57	Director	November 2020	May 2027
Mr. Alain Kinsch[(3) (4)]	53	Director	May 2020	May 2026
Mr. Aditya Mittal	48	Director	December 2010	May 2025

Notes:
(1) Age on 31 December 2024
(2) See section on Corporate Governance for the status of independent director
(3) Member of the Audit, Risk and Sustainability Committee.
(4) Member of the Remuneration, Nomination and Corporate Governance Committee

Composition of Leadership Team

Each member of Aperam's senior management is also a member of the Leadership Team, which is entrusted with the day-to-day management of the Company. The members of the Leadership Team are appointed and dismissed by the Board of Directors. The Leadership Team may only exercise the authority granted to it by the Board of Directors.

According to Aperam's Articles of Association, the Board of Directors can delegate the day-to-day management of the Company and the authority to represent the Company to one or more executive officers ("*directeurs généraux*"). These officers will not qualify as a "*directeur général*" under Luxembourg law (specifically Article 441-11 of the Law of 10 August 1915, as amended by the law of 10 August 2016). Executives ("*directeurs*") or other agents may also form a management board (*"direction générale"*), which will not be considered a "*comité de direction*" under the same law, and will operate based on rules set by the Board of Directors.

Composition: Leadership Team members, as of the date of this Annual Report, are set forth below:

Name	Age[1]	Function
Mr. Timóteo Di Maulo	65	Chief Executive Officer
Mr. Sudhakar Sivaji	45	Chief Financial Officer
Mrs. Vanisha Mittal Bhatia[2]	44	Chief Strategy Officer
Mr. Nicolas Changeur	53	Chief Executive Officer Services & Solutions and Chief Marketing Officer Stainless Europe
Mr. Jan Hofmann	45	Chief Executive Officer Recycling & Renewables and Chief Sustainability Officer
Mr. Frederico Ayres Lima	52	Chief Executive Officer and Chief Marketing Officer Stainless & Electrical Steel South America
Mr. Bert Lyssens	55	Chief Human Resources Officer and Head of Communications
Mr. Frédéric Mattei	51	Chief Executive Officer Alloys & Specialties, Chief Innovation Officer
Mr. Geert Verbeeck	60	Chief Executive Officer Stainless Europe

Notes:
(1) Age on 31 December 2024.
(2) Mrs. Vanisha Mittal Bhatia is the daughter of Mr. Lakshmi N. Mittal and sister of Mr. Aditya Mittal.

Role: The Leadership Team is entrusted with the day-to-day management of Aperam. Timoteo Di Maulo is the Chief Executive Officer and a member of the Leadership Team. The members of the Leadership Team are appointed and dismissed by the Board of Directors.

The Leadership Team is not a corporate body under Luxembourg law or Aperam's Articles of Association. It exercises the authority conferred to it by the Board of Directors.

For more detail on the members of the Leadership Team please consult our website.

Succession Planning

Succession planning within the Group is a systematic and deliberate process for identifying and preparing potential employees to fill key organisational positions should the current incumbent's term expire. This process applies to all executives up to and including the Leadership Team. Succession planning aims to ensure the continued effective performance of the organisation by providing experienced and capable employees who are prepared to assume these roles as they become available. For each position, candidates are identified based on performance, potential and ‘years to readiness’. Their development needs are also discussed and confirmed. Regular reviews of succession plans are conducted to ensure that they are accurate and current. Succession planning is a necessary process to reduce risk, create a pipeline of future leaders, ensure smooth business continuity and improve employee motivation while also monitoring Aperam’s diversity and representativity.

Corporate Governance Practices

This section provides a summary of the corporate governance practices of Aperam. We comply with the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange, which constitute Aperam's domestic corporate governance code.

The Board of Directors oversees the overall governance and direction of the Company. It is responsible for the performance of all acts of administration necessary or useful to implementing the corporate purpose of the Company as described in the Articles of Association, except for matters expressly reserved by Luxembourg law or the Articles of Association to the general meeting of shareholders. The Articles of Association provide that the Board of Directors must be composed of a minimum of three members. None of the members of the Board of Directors may hold an executive position or executive mandate within the Company or any entity controlled by the Company. The Articles of Association provide that Directors are elected and removed by the general meeting of shareholders by a simple majority of votes cast.

Any director may be removed with or without cause by a simple majority vote at any general meeting of shareholders. If a vacancy arises on the Board of Directors for any reason, the remaining members of the Board of Directors may, by a simple majority, elect a new director to temporarily fulfil the duties of the vacant post until the next general meeting of shareholders.

As of the date of this Annual Report, the Board of Directors is composed of seven members. Mr. Lakshmi N. Mittal was elected Chairman of the Board of Directors in December 2010. Dr. Ros Rivaz was elected Lead Independent Director in February 2021. The Board is assisted by a Company Secretary Office, who also acts as Secretary of all Board committees. The Company Secretary Office fulfils those tasks and functions that are assigned to it by the Board of Directors. In particular, the Company Secretary ensures that all Directors receive prompt and relevant information, and the necessary documentation to carry out their responsibilities. The 10 Principles of Governance of the Luxembourg Stock Exchange, which constitute Aperam's domestic corporate governance code, require Aperam to define the independence criteria that apply to its Directors, which are described in Article 8.1 of its Articles of Association.

Specific Characteristics of the Director Role

There is no requirement in the Articles of Association that Directors be shareholders of the Company. The Board of Directors improved its corporate governance framework on 4 February 2013 to align the Company's corporate governance practices, with developing best practices around term limits and over-boarding.

The purpose of these improvements is to limit a director’s time of service on the Board of Directors and to set limits with respect to the number of directorships they can hold. An Independent Director may not serve on the Board of Directors for more than 12 consecutive years, although the Board of Directors may, by way of exception to this rule, make an affirmative determination, on a case-by-case basis, that he or she can continue to serve beyond 12 years. Such an exception to the rule is warranted when a Director’s continued service is considered to be in the best interest of the Company based on the contribution of the Director involved and the balance between knowledge, skills, experience and renewal in the Board.

As membership of the Board of Directors represents a significant time commitment, Directors are required to devote sufficient time to the discharge of their duties as a Director of Aperam. Directors are therefore required to consult with the Chairman and the Lead Independent Director before accepting any additional commitment that could conflict with or impact the time they can devote to their role as a Director of Aperam. Furthermore, a Director may not serve on more than four public company boards in addition to the Aperam Board of Directors. However, service on the Board of Directors of any subsidiary or affiliate of Aperam or of any non-publicly listed company is not taken into account for purposes of complying with the foregoing limitation. The Board of Directors may, by way of exception, allow for a temporary lifting of this rule.

Although Directors of Aperam who change their principal occupation or business association are not necessarily required to leave the Board of Directors, the policy requires each Director, in such circumstances, to promptly inform the Board of Directors of the action he or she is contemplating. Should the Board of Directors determine that the contemplated action would generate a conflict of interest, such Director would be asked to tender his or her resignation to the Chair of the Board of Directors, who can then decide to accept or reject the resignation.

None of the members of the Board of Directors have entered into service contracts with Aperam or any of its subsidiaries that provide for any form of remuneration or for benefits upon the termination of their term. All non-executive Directors of the Group have signed the Group's Appointment Letter, which confirms the conditions of their appointment, including compliance with a non-compete provision, the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange, and the Group's Code of Business Conduct.

The remuneration of the members of the Board of Directors is determined on a yearly basis by the annual general meeting of shareholders.

Share Transactions by Management

In compliance with laws prohibiting insider dealing, the Board of Directors of Aperam has adopted specific regulations that apply throughout the Aperam Group. These regulations are designed to ensure that insider information is treated appropriately within the Company and to avoid insider dealing and market manipulation. Any breach of the rules set out in this procedure may lead to criminal or civil charges brought against the individuals involved, as well as disciplinary action by the Company. Share transactions by Management are reported on the Company’s website under section Investors > “News & Contact > “Manager’s Transactions.

Board of Directors Management rules

The Board of Directors and the Board committees may engage the services of external experts or advisers, as well as take all actions necessary or useful to implement the Company’s corporate purpose and strategy. The Board of Directors including its Committees has its own budget, which covers such functioning costs as external consultants and travel expenses.

Board of Directors Meetings

The Board of Directors shall choose amongst its members a chairperson of the Board of Directors (*Président du conseil d’administration,* hereinafter ‘Chairperson’). The Board may also choose one or several vice-chairs. The meetings of the Board of Directors shall be chaired by the Chairperson or, in his or her absence, by a vice-chair. The Board of Directors meets when convened by the Chairperson of the Board, a Vice-Chair, or two members of the Board of Directors.

In the absence of the Chairperson, the Board of Directors will appoint, by majority vote, a chairperson for the meeting in question. The Chairperson may decide not to participate in a Board of Directors’ meeting, provided they have given a proxy to one of the Directors who will be present at the meeting. For any meeting of the Board of Directors, a Director may designate another Director to represent him or her and vote in his or her name, provided that the Director so designated does not represent more than one of his or her colleagues at any given time.

The Board of Directors holds meetings on at least a quarterly basis, as five regular meetings are scheduled per year. The Board of Directors holds additional meetings if and when circumstances require, in person or by teleconference, and can make decisions by written circulation, provided that all members of the Board of Directors agree.

The Board of Directors held six meetings in 2024. The average attendance rate of Directors at the Board of Directors' meetings held in 2024 was 97.6%, with appropriate delegation of powers as described below.

In order for a meeting of the Board of Directors to be validly held, a majority of the Directors must be present or represented, including at least a majority of the Independent Directors.

Votes

Each Director has one vote and none of the Directors, including the Chairperson, has a casting vote. Decisions of the Board of Directors are made by a majority of the Directors present and represented at a validly constituted meeting. The decisions of the Board of Directors relating to the issue of any financial instruments carrying or potentially carrying a right to equity pursuant to the authorisation conferred by Article 5.5 of the Articles of Association, shall be taken by a majority of two-thirds of the Directors present or represented at a validly constituted meeting.

Lead Independent Director

The independent members of the Board of Directors are entitled to nominate a Lead Independent Director on an annual basis, whose functions include the following:

- Coordination of the activities of the independent Directors;
- Liaising between the non-independent Directors and the independent Directors;
- Calling meetings of the independent Directors when necessary and appropriate; and
- Performing such other duties as may be assigned to him or her by the Board of Directors from time to time.

Dr. Ros Rivaz was elected by the Board of Directors as Aperam's Lead Independent Director in February 2021. Such designation was renewed in 2023.

Separate Meetings of Independent Members of the Board of Directors

The independent members of the Board of Directors may hold meetings without the presence of management and non-independent Directors. In 2024, the independent members of the Board of Directors met on four occasions.

Annual Self-evaluation

Since 2011, the Board of Directors and its committees have conducted annual self-evaluations in order to identify potential areas for improvement. The self-evaluation process includes structured interviews between the Lead Independent Director and the members of the Board of Directors and covers the overall performance of the Board of Directors, its relations with the Leadership Team, the performance of individual Directors, and the performance of the Committees. The process is supported by the Company Secretary, under the supervision of the Chairperson and the Lead Independent Director.

The conclusions of the self-evaluation process are reviewed respectively by the Remuneration, Nomination and Corporate Governance Committee and by the Audit, Risk and Sustainability Committee and presented, along with recommendations from the Committees, to the Board of Directors for adoption and implementation. Suggestions for improvement of the Board of Directors' process based on the prior year's performance and functioning are implemented during the following year.

The 2024 Board of Directors' self-evaluation was completed by the members of the Board of Directors in February 2025. The members of the Board of Directors were of the opinion that both it and Management had continued to perform successfully during 2024. Highlights included:

- Notable enhancements have been observed in the quality of contributions and exchanges during Board of Directors meetings, with an improved contribution by independent Board members. The Board of Directors has proved capable of supporting and responding quickly when solicited by Management on key milestones.

- The role of the Lead Independent Board member has been strongly commended, bridging the Independent Directors' perspective with the Chairman's vision and knowledge, ultimately resulting in improved exchanges during the Board meetings.

- The site visits and training sessions organized for the Board of Directors' members with the Management proved highly beneficial for enhancing business and strategy knowledge, as well as facilitating communication.

The Board of Directors believes that its members have the appropriate range of skills, knowledge, experience, and diversity needed to effectively govern the business. Board composition is reviewed on a regular basis and additional skills and experience are actively searched for in line with the expected development of Aperam's business as and when appropriate.

For 2025, the members of the Board of Directors continued to set priorities for discussion and review, including:

- Ensuring that in person exchanges with Management take place at least twice a year (including, when possible, an annual site visit);

- Organise sessions between Independent Board Members and the Executive on specific material topics; and

- Continuing knowledge sessions on Sustainability regulations, including Corporate Sustainability Reporting (CSRD)'s impact on reporting.

Required Skills, Experience and Other Personal Characteristics

The Board and its committees are therefore required to ensure that the Board has the right balance of skills, experience, independence and knowledge needed to perform its role in accordance with the highest standards of governance.

The Company's Directors must demonstrate unquestioned honesty and integrity; preparedness to question, challenge and constructively critique, and a willingness to understand and commit to the highest standards of governance. They must be committed to the collective decision-making process of the Board and must be able to debate issues openly and constructively and question or challenge the opinions of others. Directors must also commit themselves to remaining actively involved in Board decisions and to applying strategic thinking to the matters at issue. They must be clear communicators and good listeners who actively contribute to the Board in a collegial manner. Each director must also ensure that no decision or action is taken that places his or her interests in front of the interests of the business. Each director has an obligation to protect and advance the interests of Aperam and must refrain from any conduct that would harm it.

In order to govern effectively, non-executive Directors must have a clear understanding of Aperam's strategy and a thorough knowledge of the Aperam Group and the industries in which it operates. Non-executive Directors must also be sufficiently familiar with the Group's core business to be able to effectively contribute to its strategic development and monitor its performance.

Furthermore, the composition of the non-executive Directors should be such that the combination of experience, knowledge and independence of its members allows the Board to fulfil its obligations to the Company and other stakeholders in the best possible manner.

The Remuneration, Nomination and Corporate Governance Committee ensures that the Board is composed of high-calibre individuals whose background, skills, experience and personal characteristics enhance the overall profile of the Board. The Committee also helps the Board meet its needs and diversity aspirations by nominating high quality candidates for election to the Board by the general meeting of shareholders.

Board Profile

The key skills and experience of the Directors, and the extent to which they are represented on the Board and its committees, are set out below. In summary, the non-executive Directors contribute in terms of (i) international and operational experience; (ii) understanding of the industry sectors in which we operate; (iii) knowledge of world capital markets and being a company listed in several jurisdictions; (iv) in understanding of the health, safety, environmental, political and community challenges that we face and; (v) knowledge in sustainable business.

Each director is required to adhere to the values set out in, and sign, the Aperam Code of Business Conduct. In addition, each director is expected to bring an area of specific expertise to the Board.

Renewal

The Board plans for its own succession, with the assistance of the Remuneration, Nomination and Corporate Governance Committee. In doing so, the Board:

- Considers the skills, backgrounds, knowledge, experience and diversity of geographic location, nationality and gender necessary to allow it to meet the corporate purpose;
- Assesses the skills, backgrounds, knowledge, experience and diversity currently represented;
- Identifies any inadequate representation of those attributes and agrees on the process needed to ensure the selection of a candidate who brings these attributes to the Board; and
- Reviews how Board performance might be enhanced, both at an individual director level and for the Board as a whole.

The Board believes that orderly succession and renewal is achieved through careful planning and by continuously reviewing its composition.

When considering new appointments to the Board, the Remuneration, Nomination and Corporate Governance Committee oversees the preparation of a position specification that is provided to an independent recruitment firm retained to conduct a global search, taking into account, among other factors, geographic location, nationality and gender. In addition to the specific skills, knowledge and experience required of the candidate, the specification contains the criteria set out in the Aperam Board profile.

Diversity

Overall, diversity at Aperam is aligned with the global effort to increase gender diversity on the boards of Directors of listed and unlisted companies. Three of the Board's seven Directors are women. The Aperam Board's diversity not only relates to gender, but also to the background, professional industry experience, age and nationality of its members.

Director Induction, Training and Development

Aperam is deeply committed to continuous improvement of its practices regarding the training and development of its Directors. From their appointment and throughout their tenure, members participate in and receive trainings to ensure their knowledge remains up to date with evolving regulatory framework and business requirements. This commitment guarantees that Directors possess the expertise and competencies necessary to exercise sound judgment, uphold strong governance standards, and effectively contribute to the company's strategic vision and long-term success.

The Board considers that the development of the directors' knowledge of the Group, its business activities, its engagements towards stakeholders, and the markets in which the Group operates in is an ongoing process. Upon his or her election, each new non-executive director undertakes an induction programme specifically tailored to his or her needs. The Board's development activities include the provision of regular updates to directors on each of the Group's products and markets. Non-executive directors may also participate in training programmes designed to maximise the effectiveness of the directors throughout their tenure and link to their individual performance evaluations.The training and development programme covers not only matters of a business nature, but also matters falling into the environmental, social and governance areas. In 2024, a training focused on the CSRD regulation and its consequences to the Company's reporting was delivered to the independent board members.

Structured opportunities are provided to build knowledge through such initiatives as plant visits and business briefings during Board meetings. Non-executive directors also build their Group and industry knowledge through the involvement of the Leadership Team members and other senior employees at Board meetings. Business briefings, site visits and development sessions underpin and support the Board's work on monitoring and overseeing progress towards the corporate purpose of creating long-term shareholder value through the development of our stainless steel business. We therefore continuously build-up our directors' knowledge to ensure that the Board remains up-to-date with developments within our Segments, as well as developments in the markets in which we operate.

Since 2022, the Directors participate in comprehensive business briefings intended to provide them with a deeper understanding of the Group's activities, sustainability & environment, key issues and strategy, and remuneration framework.

The Remuneration, Nomination and Corporate Governance Committee oversees Directors' training and development. This approach allows induction and learning opportunities to be tailored to the Directors' committee memberships, as well as the Board's specific areas of focus. This approach also ensures a coordinated process in relation to succession planning, Board renewal, training, development and committee composition, all of which are relevant to the Remuneration, Nomination and Corporate Governance Committee's role in securing a consistent supply of talent to the Board.

Committees of the Board of Directors

As of 31 December 2024, the Board of Directors had two committees: the Audit, Risk and Sustainability Committee and the Remuneration, Nomination and Corporate Governance Committee, both of which are described in greater detail below.

Committee Composition

The composition of the Committees of the Board of Directors, as of 31 December 2024, is shown below.

Name	Position within Aperam	Independent/ Non Independent Status	Audit, Risk and Sustainability Committee	Remuneration, Nomination and Corporate Governance Committee
Bernadette Baudier	Member of Board of Directors	Independent Director	X (Chair)	
Roberte Kesteman	Member of Board of Directors	Independent Director	X	X
Alain Kinsch	Member of Board of Directors	Independent Director	X	X (Chair)
Ros Rivaz	Member of Board of Directors	Lead Independent Director		X

Audit, Risk and Sustainability Committee

Role: The Audit, Risk and Sustainability Committee is composed of three Independent Directors. The members are appointed by the Board of Directors each year following the annual general meeting of shareholders. The Audit, Risk and Sustainability Committee makes decisions by a simple majority.

With respect to audit related matters, the primary function of the Audit, Risk and Sustainability Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the Company's:

- Financial reports and other financial information provided to any governmental body or the public;
- ESG report and other ESG-related matters to comply with any legal and regulatory requirements,
- System of internal control regarding finance, accounting, tax, legal, compliance and ethics established by the Board of Directors and the Leadership Team;
- Sustainability roadmap and climate-related disclosures; and
- Auditing, accounting and financial reporting processes generally.

With respect to audit-related matters, the Audit, Risk and Sustainability Committee's primary duties and responsibilities include:

- Serving as an independent and objective party to monitor the Company's financial and non-financial (Corporate Sustainability Reporting), reporting process and internal controls system;
- Reviewing and appraising the work carried out by Aperam's independent external auditors and global assurance department;

- Reviewing major legal, tax, sustainability and compliance matters and their follow up;
- Reviewing and implementing recommended audit adjustments and disclosure changes;
- Providing an open avenue of communication among the Company's independent auditors, Leadership Team, the internal audit department, and the Board of Directors;
- Approving the appointment and fees of the Company's independent auditors; and
- Monitoring the independence of the independent auditors.

With respect to risk management related matters, the primary function of the Audit, Risk and Sustainability Committee is to support the Board of Directors in fulfilling its corporate governance and oversight responsibilities by assisting with the monitoring and review of our risk management process. In this regard, its main responsibilities and duties are to assist the Board of Directors by developing recommendations regarding the following matters:

- Oversight, development and implementation of a risk identification and management process and the review of this process in a consistent manner throughout the Group;
- Review of the effectiveness of the Company's risk management framework, policies and processes at the corporate and operating segment levels and the proposal of improvements, with the aim of ensuring that the Company's management is supported by an effective risk management system;
- Promotion of constructive and open exchanges on risk identification and management among the Leadership Team, the Board of Directors, the legal department and other relevant departments of the Group;
- Review of proposals to assess, define and review the level of risk tolerance to ensure that appropriate risk limits are in place;
- Review of internal and external audit plans to ensure that they include a review of the major risks the Company faces; and
- Make recommendations within the scope of its charter to Aperam's Leadership Team and to the Board of Directors about Leadership Team's proposals concerning risk management.

Since 2024, the Committee has enhanced its focus on sustainability and Corporate Sustainability compliance by supporting the Board of Directors in overseeing corporate governance and risk management. This includes reviewing the company's sustainability roadmap, evaluating internal controls for sustainability, and monitoring the reporting process to ensure adherence to new requirements.

In fulfilling its duties, the Audit, Risk and Sustainability Committee may seek the advice of outside experts.

Composition: The three members of the Audit, Risk and Sustainability Committee are Bernadette Baudier, Roberte Kesteman and Alain Kinsch. Bernadette Baudier has been the Chairperson of the Audit, Risk and Sustainability Committee since August 2019. Each of these members is an independent director in accordance with the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange.

For more information on the members and governance of the Audit, Risk and Sustainability Committee please consult our website.

According to its charter, the Audit, Risk and Sustainability Committee is required to meet at least four times a year. During 2024, the Audit Committee met four times. The attendance rate of the Directors at the Audit, Risk and Sustainability Committee meetings held in 2024 was 100%. Invitees to the Committee in 2024 included: Dr. Ros Rivaz and Sandeep Jalan from the Board of Directors, the CEO, CFO, CSO and CHRO from the Leadership Team. Other invitees included members of the Finance Team, Legal & Governance Team, Compliance Team and Global Assurance Team, Data Protection Team, as well as representatives from External Audit as appropriate. The Company Secretary acts as secretary of the Committee.

During 2024, the Audit, Risk and Sustainability Committee reviewed on a quarterly basis the Financial Reporting, ESG and Compliance reports, External Auditor’s report, Global Assurance reports and Risk Management reports (including risks described in detail at the end of this Annual Report).

As part of the annual self-evaluation interviews, the Audit, Risk and Sustainability Committee performed an evaluation, which was completed in February 2025 with respect to performance in 2024.

Remuneration, Nomination and Corporate Governance Committee

The Remuneration, Nomination and Corporate Governance Committee may be composed of two or three Directors and is currently composed of three Directors. The members are appointed by the Board of Directors each year after the annual general meeting of shareholders. The Remuneration, Nomination and Corporate Governance Committee makes decisions by a simple majority.

The Board of Directors has established the Remuneration, Nomination and Corporate Governance Committee to:

- Determine Leadership Team’s compensation framework, including short and long term incentives for the Chief Executive Officer, the Chief Financial Officer, the members of the Leadership Team;
- Review and approve succession and contingency plans for key managerial positions at the level of the Leadership Team;
- Consider any candidate for appointment or reappointment to the Board of Directors at the request of the Board of Directors and provide advice and recommendations to it regarding the same;
- Review and evaluate on a yearly basis the performance of the Leadership Team.
- Evaluate the functioning of the Board of Directors and monitor the Board of Directors’ self-assessment process; and
- Develop, monitor and review corporate governance principles and corporate responsibility policies applicable to Aperam, as well as their application in practice.

The Remuneration, Nomination and Corporate Governance Committee's main goal for determining the compensation of executives is to encourage and reward performance that will lead to the long-term enhancement of shareholder value. In fulfilling its duties, the Remuneration, Nomination and Corporate Governance Committee may seek the advice of outside experts.

The three members of the Remuneration, Nomination and Corporate Governance Committee are Alain Kinsch, Roberte Kesteman and Ros Rivaz. Alain Kinsch is the Chairperson of the Remuneration, Nomination and Corporate Governance Committee. Each of these members is an independent director in accordance with the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange.

For more information on the members and governance of the Remuneration, Nomination and Corporate Governance Committee please consult our website.

The Remuneration, Nomination and Corporate Governance Committee is required to meet at least twice a year. During 2024, this committee met five times. The attendance rate at the Remuneration, Nomination and Corporate Governance Committee meetings held in 2024 was 100%. Invitees at the Committee in 2024 included Sandeep Jalan and Bernadette Baudier from the Board of Directors, members of the Leadership Team, the CEO, the CFO, and the Head of Human Resources and Communications.

In 2024, the Remuneration, Nomination and Corporate Governance reviewed: the succession planning for the Board and the Leadership Team, the performance of the Leadership Team members, the Group's long-term incentive plan, the Leadership Team's remunerations, and corporate governance matters of relevance for the Board and the Company.

As part of the annual self-evaluation interviews, the Remuneration, Nomination and Corporate Governance Committee performed an evaluation, which was also completed in February 2025 with respect to performance in 2024.

Articles of Association

The last version of the Company's Articles of Association is dated 11 July 2024, and is available on the Company's website (www.aperam.com) under the Investors > Corporate Documentation section.

Transparency & Publication

Since 2012, Aperam has publicly reported on its Sustainability Roadmap in our annual 'Made for Life' report. This report, guided by best practices, adhered to the Global Reporting Initiative's framework and was verified by an external audit firm.

Since 2017, our reporting has been further supported by three online supplements specific to the countries where we operate major facilities (Belgium, Brazil, and France), which collectively represent over 80% of our total global workforce. These supplements provide key national metrics and developments in the respective local languages (and English), ensuring accessibility for employees and stakeholders.

Additionally, each of our main sites features a publicly accessible dashboard displaying key ESG indicators, along with guidance on how to use our contact form. This initiative ensures local stakeholders are informed about our operations and can easily engage with us.

Luxembourg Takeover Law Disclosure

The following disclosures are made in compliance with Article 11 of the Luxembourg Law of 19 May 2006, transposing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004, on takeover bids. The Company's Articles of Association are available at www.aperam.com under the Investors < Corporate Governance - Articles of Association section.

- With reference to article 11 (1) (a) of the above mentioned law - The Company has issued a single category of shares (ordinary shares). As per article 13.6 of the Company's Articles of Association, each share is entitled to one vote. The shareholder structure, including voting rights, is set out in the share capital section of this Management Report and available at www.aperam.com under section Investors > Equity Investors > Share Capital & Voting Rights, where the shareholding structure table is updated monthly.

- With reference to article 11 (1) (b) of the above mentioned law - the ordinary shares of the Company are freely transferable.

- With reference to article 11 (1) (c) of the above mentioned law - the beneficial ownership and voting rights in the Company by each person who is known to be the beneficial owner of 2.5% or more of the Company's issued share capital is set out in the share capital section of this Management Report and available at www.aperam.com Investors > Equity Investors > Share Capital & Voting Rights section, where the shareholding structure table is updated monthly.

- With reference to article 11 (1) (d) of the above mentioned law - all of the issued and outstanding ordinary shares in the Company have equal voting rights and there are no special control rights attaching to the ordinary shares. As per article 13.6 of the Company's Articles of Association, each share is entitled to one vote. As per article 8.4 of the Company's Articles of Association, the Mittal Shareholder (as defined in the Articles of Association) may, at its discretion, decide to exercise the right of proportional representation and nominate candidates for appointment as members of the Board of Directors. The Mittal Shareholder has not, to date, exercised that right.

- With reference to article 11 (1) (e) and (f) of the above mentioned law - not applicable. However, the sanction of suspension of voting rights automatically applies, subject to limited exceptions set out in the Transparency Law (as defined below), to any shareholder (or group of shareholders) who has (or have) crossed the thresholds set out in article 7 of the Articles of Association and articles 8 to 15 of the Luxembourg law of 11 January 2008, on the transparency requirements regarding issuers of securities (Transparency Law) but have not notified the Company accordingly. The sanction of suspension of voting rights will apply until such time as the notification has been properly made by the relevant shareholder(s).

- With reference to article 11 (1) (g) of the above mentioned law - not applicable.

- With reference to article 11 (1) (h) of the above mentioned law - as per article 8.3 of the Company's Articles of Association, the members of the Board of Directors shall be elected by the shareholders at the annual general meeting or at any other general meeting of shareholders for a term not exceeding three years and shall be eligible for re-election. In the event that a vacancy arises on the Board of Directors for any reason, the remaining members of the Board of Directors may, by a simple majority, elect a new director to temporarily fulfil the duties attached to the vacant post until the next general meeting of shareholders. The Board of Directors' election is also set out in the section Corporate Governance - Board of Directors of this Management Report. Rules governing amendments of the Company's Articles of Association are set out in article 14 of said Articles.

- With reference to article 11 (1) (i) of the above mentioned law - as of 31 December 2024, the Company's issued share capital was represented by 73,184,570 fully paid up shares without nominal value. As of 31 December 2024, the Company's authorised share capital, including the issued share capital, consisted of 82,957,953 shares without nominal value.

- On May 29, 2024 Aperam announced the cancellation of shares. Aperam announced that 4,852,118 shares have been cancelled in line with its financial policy. 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).

- With reference to article 11 (1) (j) of the above mentioned law - not applicable.

- With reference to article 11 (1) (k) of the above mentioned law - not applicable.

Share Capital

As of 31 December 2024, the Company's authorised share capital, including the issued share capital, consisted of 82,957,953 shares without nominal value. The Company's issued share capital was represented by 73,184,570 fully paid-up shares without nominal value.

The following table sets forth information as of 31 December 2024 with respect to the beneficial ownership and voting rights in the Company by each person who is known to be the beneficial owner of 5% or more of the Company's issued share capital.

	Shares	% of Issued Rights	% of Voting Rights
Significant shareholder(1)	29,513,459	40.33 %	40.83 %
Treasury shares	895,263	1.22 %	0.00%.
Other public shareholders	42,775,848	58.45 %	59.17 %
Total issued shares	**73,184,570**	**100 %**	**100 %**
of which: Directors and Leadership Team(2) (3)	191,073	0.26 %	0.28 %

Notes:

(1) The term 'significant shareholder' means the trust (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'). For purposes of this table, ordinary shares owned directly by Mr. Lakshmi N. Mittal and his wife, Ms. Usha Mittal, are aggregated with those ordinary shares beneficially owned by the significant shareholder. As of 31 December 2024, Mr. Lakshmi N. Mittal and Ms. Usha Mittal had direct ownership of Aperam ordinary shares and indirect ownership, through the significant shareholder, of one holding company that owns Aperam ordinary shares: Value Holdings II. Value Holdings II was the owner of 29,513,459 Aperam ordinary shares. Mr. Lakshmi N. Mittal was the direct owner of 11,090 Aperam ordinary shares. Ms. Usha Mittal was the direct owner of 2,250 Aperam ordinary shares. Mr. Lakshmi N. Mittal, Ms. Usha Mittal and the significant shareholder shared indirect beneficial ownership of 100% of Value Holdings II. Accordingly, Mr. Lakshmi N. Mittal was the beneficial owner of 29,524,549 Aperam ordinary shares, Ms. Usha Mittal was the beneficial owner of 29,515,709 Aperam ordinary shares and the significant shareholder was the beneficial owner of 29,513,459 ordinary shares.

(2) Includes shares beneficially owned by the directors listed in the section 'Composition of the Board of Directors' and members of the Leadership Team listed in the section 'Composition of the Leadership Team'. Excludes shares beneficially owned by Mr. Mittal.

(3) These 191,073 Aperam common shares are included in the shares owned by other public shareholders in the table above.

The Company's ordinary shares are in registered form only and are freely transferable. Ownership of the Company's shares is recorded in a shareholders' register kept by the Company at its corporate headquarters at 24-26, Boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg (Shareholders' Register). The Company's ordinary shares may also be registered on one of two local registers, the European register (European Register) and the New York register (New York Register).

The European Register is kept by the Company. ABN AMRO Bank N.V. provides certain administrative services in relation to the European Register. The New York Register is kept by Citibank, N.A. (New York Branch) (Citibank) on the Company's behalf. Ordinary shares registered on the European Register are referred to as 'European Shares' and ordinary shares registered on the New York Register are referred to as 'New York Registry Shares'.

As of 31 December 2024, there were 1,871 shareholders - other than the significant shareholder and Aperam as holder of treasury shares - with an aggregate of 29,611 Aperam common shares registered in Aperam's shareholder register, representing approximately 0,0405% of the common shares issued. As of 31 December 2024, there were 34 U.S. shareholders holding an aggregate of 172,131 New York Registry Shares, representing approximately 0.24% of the common shares issued. Aperam's knowledge of the number of New York Registry Shares held by U.S. holders is based solely on the records of Citibank. As of 31 December 2024, there were 30,438,333 Aperam common shares being held through ABN AMRO clearing system in The Netherlands, France and Luxembourg. ABN AMRO is a Netherlands-based financial services company that specialises in the settlement of securities transactions, as well as the safekeeping and asset servicing of these securities.

Shareholding Notification with Reference to Transparency Law Requirements

With reference to the law and Grand-Ducal regulation of 11 January 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 at www.bourse.lu and on the Company's website (www.aperam.com) under Investors, Equity Investors, Share Capital & Voting Rights.

The shareholding notifications are made available below:

- On June 10, 2024, Aperam announced shareholding notifications from Bank of America (5.23%); and
- On June 12, 2024, Aperam announced shareholding notifications from Bank of America (4.08%).

Shareholder Information

The Company

The Company is a Luxembourg public limited liability company (*société anonyme*) incorporated on 9 September 2010 to hold the assets which comprise the stainless and specialty steels businesses historically held by ArcelorMittal. 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.

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 Share Capital section of this Management Report) holds 40.83% 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.

Listing and Indexes

The Company's ordinary shares are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange (symbol APAM) and are traded on the Euronext Single Order Book with Amsterdam as the Market of Reference (symbol APAM and Euronext code NSCNL00APAM5).

The ordinary shares were admitted to listing and trading on the regulated market of the Luxembourg Stock Exchange, Euronext Amsterdam and Euronext Paris on 31 January 2011, and Euronext Brussels on 16 February 2017.

The ordinary shares of the Company are accepted for clearance through Euroclear and Clearstream Luxembourg under common code number 056997440.

The Aperam shares are also traded as New York registry shares on the OTC under the symbol APEMY.

The Company is a member of the different indexes, including BEL20, SBF 120, NEXT 150, CAC MID 60, AMX.

Investor Relations

Aperam is committed to the principles of open and continuous communication and attaches a high importance to providing clear, high-quality, regular and transparent communication with institutional investors and other financiers and providers of capital. Aperam's aim is to be the first choice for investors in the stainless steel sector. To achieve this objective and provide the most relevant information fitting the needs of the financial community, Aperam implements an active and broad investor communications policy that includes conference calls, roadshows, regular participation at investor conferences and plant visits.

You can contact the Investor Relations department at: IR@aperam.com

Socially Responsible Investors ("ESG Investors")

Aperam is a leader in sustainability within its sector and has been issuing annual Sustainability Reports since its creation in 2011. The Sustainability Team is responsible for answering questions from socially responsible investors and ESG rating agencies[6].

In the ESG space Aperam is proud to see that comprehensive improvement measures being recognised by independent ESG rating agencies. MSCI - one of the most important ESG ratings in the world - awarded Aperam a Triple-A rating. This puts Aperam in an industry leading position in the steel sector. At Morningstar, which owns ESG rating agency Sustainalytics, Aperam came in top three in the steel sector amongst a total of 157 companies and we also received the "ESG Top rated" badge in the steel industry. Aperam South America became the first in its segment to obtain the ResponsibleSteel™ certification in Latin America.

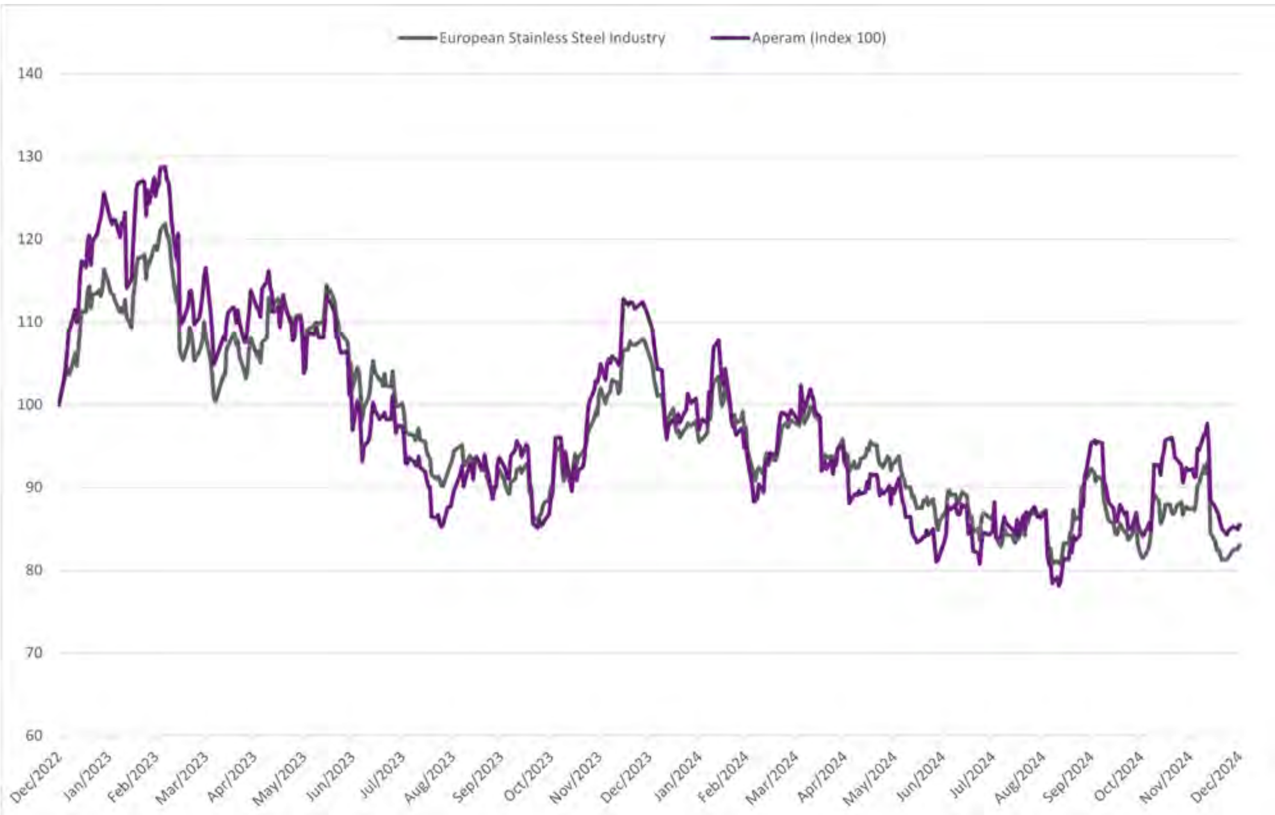
In November 2024, the Times Magazine released their list of the World's Best Companies for 2024. The ranking is based on a formula of employee-satisfaction surveys, revenue growth and ESG data. Aperam is included as the best steel company on this list.

These excellent results confirm Aperam's industry leading position and underline the successful ESG improvement strategy with transparent KPIs, that are linked to management compensation.

Sustainability Team contact: sustainability@aperam.com

Share Performance

The graph below shows the share price performance of Aperam and the European Stainless Steel Industry[(1)] over the years 2023 to 2024 in index base 100:



Note:
(1) European Stainless Steel Industry: Average Acerinox, Aperam, Outokumpu share price in index 100

[6] Rating agencies assess Aperam according to social, environmental, economic and governance criteria.

Financial Calendar

Earnings calendar[1]

> 30 April 2025: earnings for 1st quarter 2025
> 31 July 2025: earnings for 2nd quarter 2025 and 6 months 2025
> 7 November 2025: earnings for 3rd quarter 2025 and 9 months 2025

Note:
(1) Earnings are issued before the opening of the European stock exchanges on which the Aperam share is listed

General meeting of shareholders

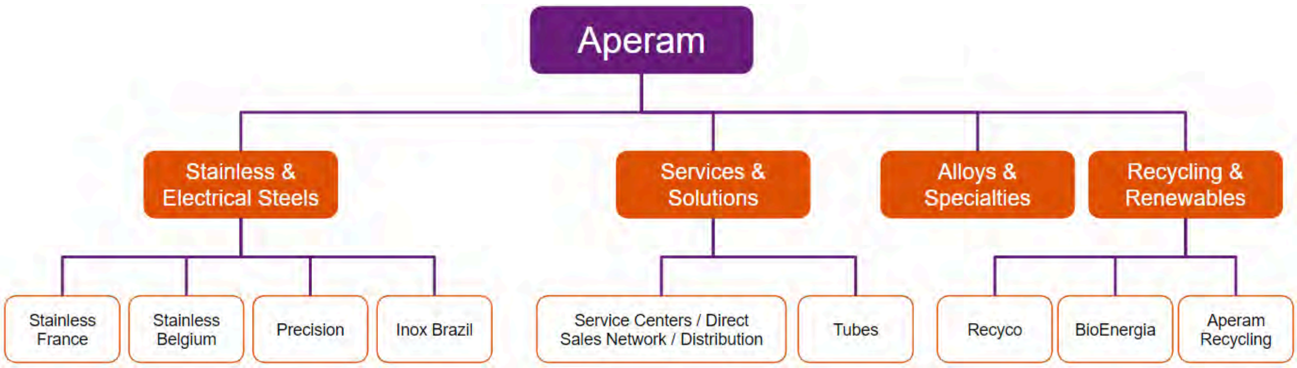
> 6 May 2025: Annual general meeting of shareholders

Dividend Schedule

Please refer to the section 'Liquidity' of this Report for further details with respect to the Company's detailed dividend schedule for 2025.

Organisational Structure

Aperam is a holding company with no business operations of its own. All of its significant operating subsidiaries are owned directly or indirectly through intermediate holding companies. The following chart represents its operational structure in 2024. See Note 29 to the Consolidated Financial Statements for a list of the Group's significant subsidiaries.



Contacts

Aperam
24-26, Boulevard d'Avranches
L-1160 Luxembourg
Grand-Duchy of Luxembourg

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

Aperam Investor Relations contact is:
Thorsten Zimmermann: IR@aperam.com

Aperam Communication contact is:
Ana Escobedo Conover: communications@aperam.com

Related Party Transactions

We are engaged in certain commercial and financial transactions with related parties. Please refer to Note 25 to the Consolidated Financial Statements for further details.

Agreements with ArcelorMittal Post Spin-Off

In connection with the spin-off of its stainless steel division into a separately focused company, Aperam SA (Aperam), which was completed on 25 January 2011, ArcelorMittal entered into several agreements with Aperam and/ or certain Aperam subsidiaries that are still in force:

- Regarding procurement, a purchasing services agreement for negotiation services from ArcelorMittal Purchasing ('Purchasing Services Agreement') entered into for an initial term of two years, until 24 January 2013, has been renewed and remains in force in relation to the following key categories: operating materials (only hot strip mill), refractory materials, spare parts, sea freight, industrial products and support services (excluding industrial services). The Purchasing Services Agreement also permits Aperam to avail itself of the services and expertise of ArcelorMittal for certain capital expenditures.

  In Europe, Aperam purchased most of its electricity and natural gas through energy supply contracts put in place for the period 2014-2020 through ArcelorMittal Energy SCA. The electricity contract has been renewed in 2023 and for 2024 under the same terms and conditions. Both contracts are currently under negotiation. Electricity and natural gas supplies will continue in 2025 under new terms and conditions, which are currently under review.

  Another supply agreement entered into between Aperam and ArcelorMittal Sourcing is effective from January 2020 for the sale of electrodes.

- The parties agreed to renew a limited number of services where expertise and bargaining power created value for each party. ArcelorMittal will continue to provide certain services in 2025 relating to such areas as environmental and technical support.

- In the area of research and development, at the time of the spin-off, Aperam entered into a framework agreement with ArcelorMittal in 2011, and amended in 2015, to establish a structure for future cooperation in relation to certain ongoing or new research and development programmes. To date, a small amount of valuable research and development support has been implemented through this agreement. New exchanges about breakthrough technologies or possible technical developments of interest to both companies were launched in 2020, 2021 and 2022 and are still ongoing.

- Specific IT service agreements have been put in place with Aperam, one for Asset Reliability Maintenance Programme (ARMP) at its Brazilian entities, and two others for the use in Europe of ARMP and for the worldwide area network (WAN).

- In addition, since 2011, a services agreement has been concluded between ArcelorMittal Shared Service Center Europe Sp z.o.o. Sp.k. and Aperam for accounting services.

- In Brazil: In connection with the spin-off, management renegotiated an existing Brazilian cost-sharing agreement between ArcelorMittal Brasil and Aperam Inox América do Sul S.A. Aperam Inox Serviços Brasil Ltda., Aperam Inox Tubos Brasil Ltda., and Aperam BioEnergia Ltda. Pursuant to this agreement, ArcelorMittal Brasil continued to perform purchasing for the benefit of these Aperam's Brazilian subsidiaries, with costs being shared on the basis of the cost allocation parameters agreed to by the parties on an annual basis.

Compensation

Remuneration Policy

Board Oversight

The Board is responsible for ensuring that the Group's remuneration arrangements are equitable and aligned with the long-term interests and sustainability of the Company and its shareholders. It is therefore critical that the Board remains independent from management when making decisions affecting the remuneration of the Chief Executive Officer and its direct reports.

To this end, the Board has established the Remuneration, Nomination and Corporate Governance Committee (RNCG) to assist it in maintaining a formal and transparent procedure for setting policy on senior management's remuneration and determining an appropriate remuneration package for senior management. The RNCG Committee should ensure that remuneration arrangements support the strategic aims of the business and enable the recruitment, motivation and retention of senior executives while complying with applicable rules and regulations. All members of the RNCG Committee are required to be independent under the Group's corporate governance guidelines, the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange and the NASDAQ Listing Rules.

The independence criteria that apply to the Directors is defined under the section Corporate Governance Practices - Board of Directors in this Management Report.

RNCG members are appointed by the Board of Directors each year after the annual general meeting of shareholders. The members have relevant expertise or experience relating to the purposes of the Committee.

The RNCG Committee makes decisions by a simple majority with no member having a casting vote. The RNCG Committee is chaired by Mr. Alain Kinsch. The primary function of the RNCG Committee, as well as how it functions, is described in greater detail in the Corporate Governance Practices section of this report.

In line with Aperam's Code of Business Conduct, members of the Board of Directors and employees must always act in the best interests of the Company and must avoid any situation where personal interests conflict or could conflict with obligations toward the Company. An annual process is in force for members of the Board of Directors and employees to report any potential conflict of interest they may have. However, notifications should be made as soon as a potential conflict of interest is identified.

Contracts and Arrangements

As mentioned in the previous "Composition of the Board of Directors" section, no member of the Board of Directors has entered into a service contract with Aperam or any of its subsidiaries providing for benefits upon the end of his or her service on the Board. All non-executive Directors of the Company have signed the Company's Appointment Letter, which confirms the conditions of their appointment, including compliance with a non-compete provision, the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange, and the Company's Code of Business Conduct.

Each member of the Aperam's Leadership Team is also entrusted with the day-to-day management of the Company. The members of the Leadership Team are appointed and dismissed by the Board of Directors. The Leadership Team may exercise only the authority granted to it by the Board of Directors. The members of the Leadership Team have permanent employment contracts, and notice periods follow applicable legislation. Members of the Leadership Team benefit from supplementary pension schemes according to local practice. The Company does not provide for specific early retirement schemes and payments linked to termination for its members of the Leadership Team beyond what is required by local labour legislation requirements.

Remuneration Strategy for Members of the Board of Directors

The remuneration structure of the members of the Board of Directors is submitted annually for shareholder approval and is based on annual fees comprising a basic remuneration, to which additional fees are added for Committee members. The remuneration structure is reviewed periodically by the Remuneration, Nomination and Corporate Governance Committee, which makes recommendations to the Board of Directors and takes into account relevant benchmarks (e.g., similar size, industry) to attract and retain high-quality and experienced Directors. The remuneration structure of the Board of Directors has remained unchanged since the Company's inception in 2011, and is highlighted in detail below:

(Amounts in Euros):

Position	**Compensation (annual basis)**
Basic Director's remuneration	€70,000
Lead Independent Director's remuneration	€80,000
Additional remuneration for the Chair of the Audit, Risk and Sustainability Committee	€15,000
Additional remuneration for Audit, Risk and Sustainability Committee members	€7,500
Additional remuneration for the Chair of the Remuneration, Nomination and Corporate Governance Committee	€10,000
Additional remuneration for members of the Remuneration, Nomination and Corporate Governance Committee	€5,000

Remuneration Strategy for Members of the Leadership Team

Scope

Aperam's remuneration philosophy and framework apply to the following group of senior managers:
- Chief Executive Officer
- Eight other members of the Leadership Team

The remuneration philosophy and governing principles also apply, with certain limitations, to a wider group of employees, including General Managers and Managers.

Remuneration Philosophy

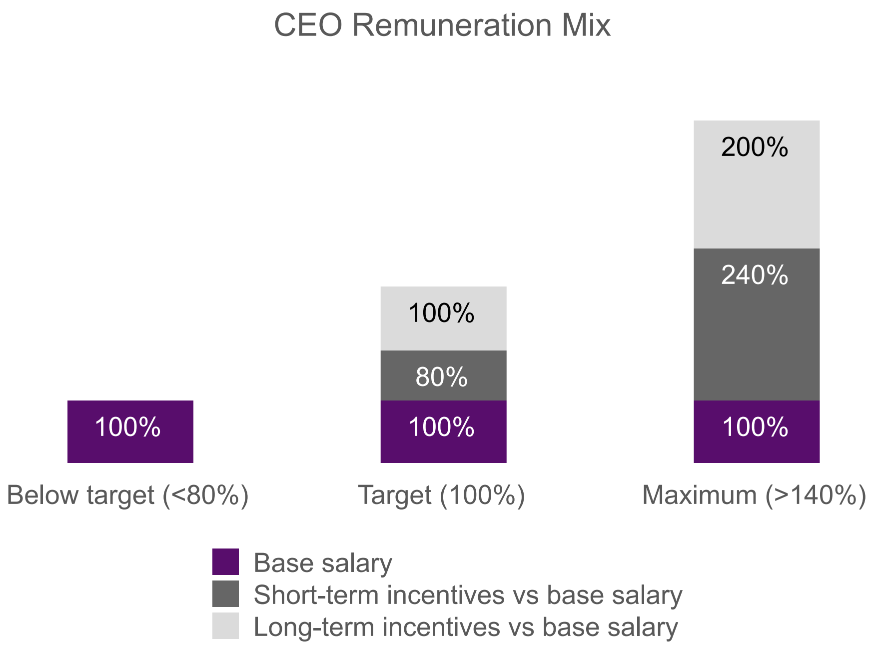
Aperam's remuneration philosophy for its senior managers is based on the following principles:
- Provide total remuneration, competitive with that of executive remuneration levels of a peer group composed of a selection of industrial companies of a similar size and scope;
- Encourage and reward performance that will lead to the long-term and sustainable enhancement of shareholder value;
- Promote internal pay equity and provide ‘market’ median (determined by reference to its identified peer group) base pay levels for Aperam's senior managers, with the possibility to move up to the third quartile of the markets base pay levels, depending on sustained high performance and/or certain critical and scarce competencies;
- Base Salaries, Total Target Cash (Base Salary + On Target Bonus) and Total Direct Compensation (TTC + LTIP) are compared to the appropriate market reference (P50 or market median);
- Performance is evaluated based on previously agreed quantified personal objectives. Personal objectives are aligned with Aperam’s organisational goals covering:
    - People (including motivation and engagement, competencies) and Social Sustainability, with a particular attention to Health and Safety,
    - Environmental Sustainability, and
    - Sustainable Profitability, including business transformation and governance.

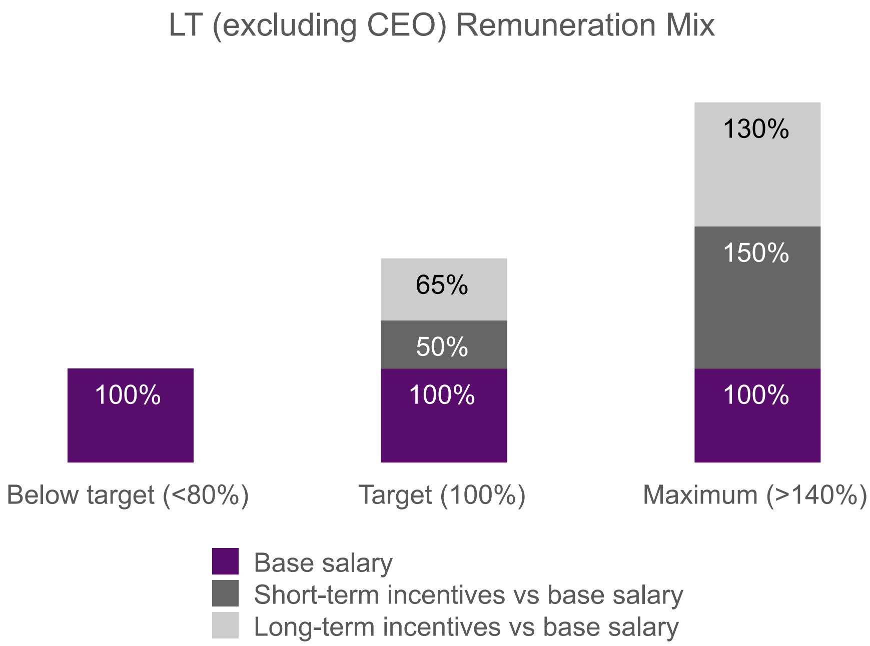
Remuneration Framework

The Remuneration, Nomination and Corporate Governance Committee develops proposals on senior management remuneration annually for consideration by the Board of Directors. Such proposals include the following components:
- Fixed annual salary;
- Short-term incentives (i.e., performance-based bonuses); and
- Long-term incentives
    - Since May 2013, Leadership Team members only receive (performance based) PSUs as equity based incentive.

The total remuneration target of the CEO and other members of the Leadership Team is structured to attract and retain executives and to provide total remuneration competitive with executive remuneration levels of a peer group composed of a selection of industrial companies of a similar size and scope.

The following remuneration charts illustrate the various elements of compensation for the CEO and the other members of the Leadership Team applicable for 2024.





The graphs above show the minimum and maximum payout of each plan based on the achievement of the plan objectives and considering the maximum individual performance multiplier.

At the individual level, the payout of short-term incentives is also subject to an individual bonus coefficient that is based on the achievement of personal objectives. This coefficient can vary between 0 and 1.5, meaning that, in theory, the payout of the annual bonus (STIP) can vary between 0 and 300% of the target amount (in case of a maximum financial and maximum personal performance).

Fixed Annual Salary

***Strategy**: attract and retain high-quality and experienced senior executives*

Base salary levels are reviewed annually and are compared to the market to ensure that Aperam stays competitive.

Short-term Incentives

Annual Performance Bonus Plan

Strategy: motivate senior executives to achieve stretch performance on strategic priorities

Aperam has a short-term incentive plan consisting of a performance-based bonus plan. Bonus calculations for each employee reflect the performance of the Aperam Group as a whole, the performance of the relevant business units and the individual employee's overall performance.

The calculation of Aperam's performance bonus is aligned with its strategic objectives of improving financial performance and overall competitiveness and on the following principles:

- No performance bonus will be triggered if the achievement level of the performance measures is less than the threshold of 80%;
- Achievement of 100% of the performance measure yields 100% of the performance bonus pay-out; and
- Achievement of more than 100% and up to 140% of the performance measure generates a higher performance bonus pay-out, capped at 200% (Applicable from 2022, for the bonus paid in 2023).

For the Chief Executive Officer and the Members of the Leadership Team, the 2024 bonus formula is based on:

2024 Measures	% Weighting for the Chief Executive Officer and LT members	Review
EBITDA • *Rationale: demonstrates growth and operational performance*	40%	Incentive attributed to this metric
Free Cash Flow • *Rationale: demonstrates growth and operational performance*	20%	Incentive attributed to this metric
Leadership Journey® • *Rationale: demonstrates capacity to improve operational excellence by self-help measures*	20%	Incentive attributed to this metric
Gap to competition • *Rationale: demonstrated capacity to outperform peers*	20%	Incentive attributed to this metric

The Business plan achievement is summarised as follow:

- 80% realization = 50% payout
- 100% realization = 100% payout
- 120% realization = 150% payout
- 140% realization = 200% payout

The principles of the performance bonus plan achievement, with different performance measures and different levels of target bonuses, are applicable to approximately 1,300 employees worldwide.

The Remuneration, Nomination and Corporate Governance Committee, together with the Board of Directors, assess progress against performance measures, leading to the determination of the short-term incentive bonus. The 2024 Performance Bonus Plan, with respect to the Leadership Team, is structured based on the same criteria as the 2023 Bonus Plan.

Other Benefits

In addition to the primary elements of compensation described above, other benefits may be provided to senior management, such as company cars, contributions to pension plans and insurance policies, all of which will be in line with relevant local market and peer group practices.

Long-term Incentives: Equity-based Incentives

Share Unit Plans

The first shareholders' meeting after the creation of Aperam, held on 12 July 2011, approved an equity-based incentive. The plan, which consists of a Restricted Share Unit Plan (RSU Plan) and a Performance Share Unit Plan (PSU Plan), is designed to drive employee involvement, improve the Group's long-term performance and retain key employees. Both the RSU Plan and the PSU Plan are intended to align the interests of the Company's shareholders and eligible employees by allowing them to participate in the success of the Company. The maximum number of Restricted Share Units (each being an RSU) and Performance Share Units (each being a PSU) available to grant during any given year is subject to the prior approval of the Company's shareholders at the annual general meeting.

The allocation of share-based incentives is reviewed by the Remuneration, Nomination and Corporate Governance (RNCG) Committee of the Company, which is composed of three independent Directors, and which makes a recommendation to the Board of Directors. The RNCG Committee also reviews the proposed granting of share-based incentives to eligible employees other than the members of the Leadership Team, and the principles governing their proposed allocation. The Committee further decides on the criteria for granting share-based incentives and makes its recommendation to the Board of Directors. The vesting criteria are also monitored by the RNCG Committee.

RSU Plan (no grants under this scheme for Leadership Team members since 2012)

The aim of the RSU Plan was to provide a retention incentive to eligible employees. It was subject to 'cliff vesting' after three years, with 100% of the grant vesting on the third anniversary of the grant, contingent upon the continued active employment of the eligible employee within the Aperam Group. The decision was taken by the Board of Directors not to grant any RSUs to the members of the Leadership Team as of the May 2012 shareholder authorisations. As a consequence, RSUs are now only granted to employees below LT.

PSU Plan

The PSU Plan's main objective is to be an effective performance-enhancing scheme based on the employee's contribution to the eligible achievement of the Group's strategy. Awards under the PSU Plan are subject to the fulfilment of cumulative performance criteria over a three-year period from the date of the PSU grant. The target group for PSU grants is primarily the Chief Executive Officer and the other members of the Leadership Team.

To ensure that Senior Management continues to focus on long-term sustainability and value creation, the Remuneration, Nomination and Corporate Governance Committee regularly reviews the Long Term Incentive Plan Structure for the members of the Leadership Team and proposes amendments to the Board of Directors when relevant. These amendments are then subject to shareholder approval. The below summarises the PSU plan structure in place since 2024:

- Integration of Aperam Return on Capital Employed (“ROCE”)
- Focus on the sustainable improvement of Aperam’s strategic ESG challenges
- Relative Index performance to capture Aperam’s performance in the most relevant geographical regions from a commercial perspective: France (SBF120 index) and Germany (DAX index)
- Peer group consists of direct stainless steel competitors (two peers) and the most relevant steel players (four peers) from a statistical point of view
- Future outperformance, capped at 200%
- Grant based on value of 100% of the base salary for the CEO, and 65% for other Members of the Leadership Team
- The long term orientation of the plan at three years
- Awards under the LT PSU Plan are subject to the fulfilment of the cumulative performance criteria over a three year period from the date of the PSU grant
- Vesting:

20% vesting is linked to the sustainable improvement of Aperam’s strategic ESG challenges. Specific targets are:

  - 5% Health and Safety: Total Recordable Incident Rate (TRIR) reduction. The percentage of PSUs vesting will be 50% for achievement of 80% of Index Performance, 100% for achieving Index Performance, 150% for achieving 120% of Index Performance, and 200% for achieving 140% of Index Performance
  - 5% Gender Diversity: Increase in the percentage of women in the Top 1000 employees. The percentage of PSUs vesting will be 50% for achievement of 80% of Index Performance, 100% for achieving Index Performance, 150% for achieving 120% of Index Performance, and 200% for achieving 140% of Index Performance
  - 10% Environment: Reduction in CO_2 emissions (Kg CO_2/T). The percentage of PSUs vesting will be 50% for achievement of 80% of Index Performance, 100% for achieving Index Performance, 150% for achieving 120% of Index Performance, and 200% for achieving 140% of Index Performance

20% vesting is linked to TSR evolution compared to SBF120 index and DAX index:

  - 10% of vesting is linked to TSR evolution compared to SBF120 index over a three-year period: The percentage of PSUs vesting will be 50% for achievement of 80% of Index Performance, 100% for achieving Index Performance, 150% for achieving 120% of Index Performance, and 200% for achieving 140% of Index Performance
  - 10% of vesting is linked to TSR evolution compared to DAX index over a three-year period: The percentage of PSUs vesting will be 50% for achievement 80% of Index Performance, 100% for achieving Index Performance, 150% for achieving 120% of Index Performance, and 200% for achieving 140% of Index Performance

20% vesting is linked to TSR evolution compared to a peer group:

- 10% of vesting is linked to TSR evolution compared to the stainless steel peer group over a three year period. The percentage of PSUs vesting will be 50% for achievement of 80% of median TSR, 100% for achieving median TSR, 150% for achieving 120% of median TSR, and 200% for achieving 140% of median TSR
- 10% of vesting is linked to TSR evolution compared to the carbon steel peer group over a three year period. The percentage of PSUs vesting will be 50% for achievement of 80% of median TSR, 100% for achieving median TSR, 150% for achieving 120% of median TSR, and 200% for achieving 140% of median TSR

40% vesting is linked to ROCE evolution:

- The percentage of PSUs vesting will be 50% for achievement of ROCE threshold level, 100% for achieving target level, 150% for achieving stretched level, and 200% for achieving capping level

As from the 2018 PSU plans, each PSU may give the right to up to two shares. The LT PSU Plan provides for cliff vesting on the third anniversary of the grant date, under the condition that the relevant LT member continues to be actively employed by the Aperam Group on that date. If the LT member is retired on that date or in case of an early retirement by mutual consent, the relevant LT member will not automatically forfeit PSUs and pro rata vesting will be considered at the end of the vesting period at the sole discretion of the Company.

Details of shareholder approvals and allocated PSUs and RSUs, granted shares at vesting:

- On 8 June 2021, the Annual general meeting of shareholders authorised the Board of Directors to issue, during the period between the 2021 and the 2022 Annual general meeting, to key employees of Aperam a maximum of 220,000 of the Company's shares for grants under the Leadership Team PSU Plan and other grants below the Leadership Team level.
  - Grant 2021
    - In June 2021, a total of 54,336 PSUs were granted to a total of 28 employees at a fair value of €43.18 per share (out of which 39,611 PSUs were for the 9 members of the Leadership Team).
    - In June 2021, a total of 39,325 RSUs were granted to a total of 44 employees.
  - Vesting 2024
    - In June 2024, a total of 54,089 PSUs were vested and 12,228 shares were allocated to qualifying employees (out of which 8,959 were for members of the Leadership Team).
    - In June 2024, a total of 38,048 RSUs were vested and 38,048 shares were allocated to qualifying employees.
    - Globally, 40,100 shares (net of 9,376 shares retained for tax purposes) and cash equivalent to 800 shares were transferred to beneficiaries.
- On 4 May 2022, the Annual general meeting of shareholders authorised the Board of Directors to issue, during the period between the 2022 and the 2023 Annual general meeting, to key employees of Aperam a maximum of 220,000 of the Company's shares for grants under the Leadership Team PSU Plan and other grants below the Leadership Team level.
  - Grant 2022
    - In June 2022, a total of 66,815 PSUs were granted to a total of 32 employees at a fair value of €38.83 per share (out of which 51,290 PSUs were for the 9 members of the Leadership Team).
    - In June 2022, a total of 43,425 RSUs were granted to a total of 58 employees.
- On 2 May 2023, the Annual general meeting of shareholders authorised the Board of Directors to issue, during the period between the 2023 and the 2024 Annual general meeting, to key employees of Aperam a maximum of 350,000 of the Company's shares for grants under the Leadership Team PSU Plan and other grants below the Leadership Team level.
  - Grant 2023

        - In June 2023, a total of 88,146 PSUs were granted to a total of 36 employees at a fair value of €33.25 per share (out of which 63,846 PSUs were for the 9 members of the Leadership Team).
        - In June 2023, a total of 97,750 RSUs were granted to a total of 100 employees.

- On 30 April 2024, the Annual general meeting of shareholders authorised the Board of Directors to issue, during the period between the 2024 and the 2025 Annual general meeting, to key employees of Aperam a maximum of 400,000 of the Company's shares for grants under the Leadership Team PSU Plan and other grants below the Leadership Team level.
    - Grant 2024
        - In June 2024, a total of 141,176 PSUs were granted to a total of 39 employees at a fair value of €27.52 per share (out of which 113,626 PSUs were for the 10 members of the Leadership Team).
        - In June 2024, a total of 103,600 RSUs were granted to a total of 102 employees.

The ‘Remuneration Report’ provides additional details on the achievement of the vesting criteria at the time of vesting, as well as on the applicable peer group.

Remuneration Report

Remuneration of Board of Directors

As of 31 December 2024, Aperam did not have any outstanding loans or advances to members of its Board of Directors and Aperam had not given any guarantees for the benefit of any member of its Board of Directors. The table below shows the Directors' compensation for the financial periods ending 31 December 2024 and 2023. In particular, at the 30 April 2024 annual general meeting of shareholders, the shareholders approved the annual remuneration for non-executive Directors for the 2023 financial year at €550,000. The Directors' compensation for the financial period ending 31 December 2024 will be submitted for shareholder approval at the annual general meeting, which is expected to take place on 6 May, 2025.

Name	Financial period ending 31 December 2023 (1)	Comparison vs. average remuneration on a FTE basis of an Aperam SA employee (2)	Financial period ending 31 December 2024 (1)	Comparison vs. average remuneration on a FTE basis of an Aperam SA employee (2)
Mr. Lakshmi N. Mittal	€70,000	0.69	€70,000	0.63
Mrs. Bernadette Baudier	€85,000	0.84	€85,000	0.77
Mr. Sandeep Jalan	€70,000	0.69	€70,000	0.63
Mr. Alain Kinsch	€87,500	0.87	€87,500	0.80
Mrs. Roberte Kesteman	€82,500	0.82	€82,500	0.75
Mr. Aditya Mittal	€70,000	0.69	€70,000	0.63
Dr. Ros Rivaz	€85,000	0.84	€85,000	0.77
Total	€550,000		€550,000	
Shareholders' approval date	April 30, 2024		N/A	
Shareholders' expected approval date	N/A		May 6, 2025	

Notes:
(1) The Directors compensation structure remained unchanged between 2023 and 2024.
(2) Ratio between total remuneration of the members of the Board of Directors and the average remuneration on a full time equivalent basis of Aperam S.A. (€130k in 2022, €101k in 2023, and €110k in 2024)

Remuneration of Leadership Team

Aperam's remuneration for the Leadership Team is tied to the long-term performance of the Company as follows:

- Aperam Leadership Team have a significant part of their total remuneration that is variable and 100% linked to Aperam's performance as defined in measurable KPIs:
  - Short term (annual bonus or short-term incentive plans)
  - Long term (3 years long-term incentive plans)
- Both variable plans have performance thresholds, below which no payment is made, and cappings (max ceiling for payment). Please refer to the plan descriptions for further details.
- Individual Differentiation is possible based on annually agreed on personal objectives that are linked to one of the Aperam Organisation Goals: People (including motivation and engagement, competencies) and Social Sustainability, with a particular focus on Health and Safety, Environmental Sustainability and Sustainable Profitability, including business transformation and governance.

The total compensation paid to the members of the Leadership Team in 2024 is aligned with the Remuneration Policy and application of performance criteria. The total remuneration, which consists of the base salary, fringe benefits, the short-term performance-related variable pay (consisting of a bonus linked to 2023 results), the long-term performance-related variable pay and pension expenses, is available in the table below.

2024

Total Actual Remuneration of the CEO and the Leadership Team excluding the CEO

Name	Year	1 Fixed Remuneration		2 Variable remuneration		3	4	5	6
		Base Salary	Fringe Benefits and local allowances [1]	One year-variable (STIP) and % vs. Total Rem.	Multi-year variable (LTIP) [2] and % vs. Total Rem.	Exceptional one off items	Pension expense [3]	Total Remuneration	Comparison versus average remuneration on a full time equivalent basis of an Aperam SA employee [4]
CEO	2024	€890k	€21k	€625k (35%)	€75k (4%)	-	€190k	€1,801k	16.3x
CEO	2023	€850k	€17k	€1,202k (46%)	€348k (13%)	-	€175k	€2,591k	25.6x
CEO	2022	€794k	€17k	€1,416k (34%)	€1,420k (34%)	€368k	€159k	€4,173k	32.1x
LT excluding CEO (9 members)	2024	€3,210k	€224k	€1,168k (23%)	€145k (3%)	-	€270k	€5,018k	5.3x
LT excluding CEO (8 members)	2023	€2,838k	€285k	€2,169k (35%)	€604k (10%)	-	€256k	€6,152k	7.6x
LT excluding CEO (8 members)	2022	€2,605k	€197k	€1,987k (26%)	€1,802k (24%)	€735k	€233k	€7,558k	7.3x

(1) Company car, residence benefit, health care, and local allowances (for French LT Members: local profit sharing according to CLA is included. For Belgian LT Members: legal holiday pay linked to the variable remuneration paid the previous year is included)
(2) Number of shares received multiplied by the share price at vesting date
(3) Retirement, death and disability insurances
(4) Ratio between total remuneration of the CEO, or LT excluding CEO; and the average remuneration on a full time equivalent basis of an Aperam S.A employee (excluding LT members) (€130k in 2022, €101k in 2023 and €110k in 2024)
(5) Mr. Jan Hofmann is included as from July 1, 2024 ; Mr Bernard Hallemans is on sabbatical leave since August 1 2024.

2023 short term incentives paid in 2024:

	Realisation as a % of business targets Achievement
CEO	74.75%
Leadership Team Member excluding CEO (average)	74.75%

Note: Individual performance not included in the percent of realisation.

Long term incentive plans

The members of the Leadership Team also participate in share-based compensation plans sponsored by Aperam. In June 2024, the persons comprising the Company's Leadership Team received 113,626 PSUs, corresponding to a value at grant equal to 100% of the year base salary for the Chief Executive Officer and 65% of the year base salary for the other Leadership Team members. The fair value per share for this grant was €27.52. Each PSU may give right to up to two shares of the Company. The following tables summarise the detailed allocation of equity-based incentives to the Leadership Team ('LT' thereafter in the table) members under the shareholder approval. Additional information about the equity-based incentives is available in greater detail in the 'Long-term Incentives: Equity Based Incentives' section of the Remuneration Policy of this report.

Name	Main conditions of the PSU plans					Information regarding the reported financial year : 2024					
						Opening balance	During the year				Closing balance
	Specification of plan	Performance Period	Fair Value per share (in €)	Award date	Vesting date	PSUs at the beginning of the year [1]	PSUs awarded [1]	PSUs vested [1]	Number of own shares given from PSUs vested	PSUs forfeited [1]	PSUs remaining subject to a performance condition [1]
CEO											
Tim Di Maulo, CEO	LTIP 2021	3 years	43.18	14 June 2021	14 June 2024	13,577	NA	13,577	3,071	(13,577)	-
Tim Di Maulo, CEO	LTIP 2022	3 years	38.83	1 June 2022	1 June 2025	16,657	NA	NA	NA	NA	16,657
Tim Di Maulo, CEO	LTIP 2023	3 years	33.25	1 June 2023	1 June 2026	20,434	NA	NA	NA	NA	20,434
Tim Di Maulo, CEO	LTIP 2024	3 years	27.52	3 June 2024	3 June 2027	-	32,581	NA	NA	NA	32,581
LT excluding CEO											
LT excluding CEO	LTIP 2021	3 years	43.18	14 June 2021	14 June 2024	26,034	NA	26,034	5,888	(26,034)	-
LT excluding CEO	LTIP 2022	3 years	38.83	1 June 2022	1 June 2025	34,632	NA	NA	NA	NA	34,632
LT excluding CEO	LTIP 2023	3 years	33.25	1 June 2023	1 June 2026	43,412	NA	NA	NA	NA	43,412
LT excluding CEO[2]	LTIP 2024	3 years	27.52	3 June 2024	3 June 2027	-	81,045	NA	NA	NA	81,045

1 Expressed in numbers of PSUs
2 Mr Jan Hofmann is included in the Leadership Team as from LTIP grant 2024.

Aperam does not have any outstanding loans or advances to members of the Company's Leadership Team or any guarantees for the benefit of any member of the Company's Leadership Team.

None of the members of the Leadership Team has entered into service contracts with the Company or any of our affiliates that provide for benefits upon the termination of their service.

PSU Plans - cumulative performance criteria:

As from the 2024 shareholder approval, the performance criteria of the Performance Share Unit Plans defined in the section Long-term Incentives: Equity Based Incentives are as follows:

- 20% of the criteria is based on the Sustainable Improvement of our strategic Environment, Social and Governance (ESG) challenges. Specific targets will be in the area of Environment and Climate Change, Diversity and Inclusion, and Health and Safety, and will be specifically decided at the moment of the grant.

- 40% of the criteria is based on the development of Total Shareholder Return (TSR), compared to a peer group of companies (20% weight), and compared to two representative indexes (10% weight: SBF 120 index; 10% weight DAX index), over a three year period (considering the average of the performance of each of the three years of the vesting period). TSR is defined as the monthly average share price at the end of the period, minus the monthly average share price at the start of the period, plus any dividend paid, divided by the monthly average share price at the start of the period.

- 40% of the criteria is based on Aperam Return on Capital Employed (ROCE).

- The applicable peer group of companies used for the comparative performance of the TRS remains unchanged as from the approval submitted to shareholders in 2018.

The performance criteria of the Performance Share Unit Plans under the shareholders approvals until 2023 defined in the section Long-term Incentives: Equity Based Incentives are as follows:

- 40% of the criteria is based on the development of Total Shareholder Return (TSR), defined as the share price at the end of the period, minus the share price at the start of the period, plus any dividend paid, divided by the share price at the start of the period compared to two representative indexes (20% weight: SBF 120 index; 20% weight DAX index), over a three year period.

- 40% of the criteria is based on the development of Earnings Per Share (EPS) for 20%, defined as the amount of earnings per share outstanding, compared to a peer group of companies, over a three year period, and on the development of TSR for 20% compared to a peer group of companies, over a three year period.

- 20% of the criteria is based on the Sustainable Improvement of our strategic Environment, Social and Governance (ESG) challenges. Specific targets will be in the area of Environment and Climate Change, Diversity and Inclusion, and Health and Safety, and will be specifically decided at the moment of the grant.

- The applicable peer group of companies used for the comparative performance of the TRS and EPS remains unchanged as from the approval submitted to shareholders in 2018.

The performance criteria of the Performance Share Unit Plans under the shareholders approvals until 2021 defined in the section Long-term Incentives: Equity Based Incentives are as follows:

- 50% of the criteria is based on the development of Total Shareholder Return (TSR), defined as the share price at the end of the period, minus the share price at the start of the period, plus any dividend paid, divided by the share price at the start of the period compared to two representative indexes (25% weight: SBF 120 index; 25% weight DAX index), over a three year period.

- 50% of the criteria is based on the development of Earnings Per Share (EPS) for 25%, defined as the amount of earnings per share outstanding, compared to a peer group of companies, over a three year period, and on the development of TSR for 25% compared to a peer group of companies, over a three year period.

- The applicable peer group of companies used for the comparative performance as part of the Leadership Team PSU Plan submitted to shareholder approval in 2018 is as follows:

- The group of companies consists of two stainless steel companies and four carbon steel companies. These companies have been retained by the Board of Directors based on industry classification, size and on correlation to whether this group is sound from a statistical viewpoint.

Steel Peer Group	Company	Market Capitalisation(1)	Correlation(2)
Stainless Steel peer group (weight inside peer group 50%)	Acerinox	2,356	0.82
	Outokumpu	1,327	0.81
Carbon Steel peer group (weight inside peer group 50%)	Thyssen-Krupp	2,441	0.79
	Salzgitter	952	0.54
	ArcelorMittal	19,129	0.67
	Voestalpine	3,273	0.78

Notes:
(1) On 31 December 2024, in million €, source Bloomberg
(2) Correlation calculated from 01/01/2021 to 31/12/2024

LTIP vesting in 2024: PSU Plan under the 8 June 2021 shareholder authorisation

Awards under the LT PSU Plan are subject to the fulfilment of the cumulative performance criteria defined above for TSR and EPS compared to a peer Group over a three-year period from the date of the PSU grant.

The value of the grant at grant date will equal 80% of the year base salary for the Chief Executive Officer and 50% for the other LT members. Each PSU may give the right to up to two shares of the Company.

Vesting:

No vesting will take place for performance below 80% of the median compared to the peer group over three years. The percentage of PSUs vesting will be 50% for achieving 80% of the median TSR, 100% for achieving the median TSR, 150% for achieving 120% of the median TSR, and up to a maximum of 200% for achieving 140% of the median TSR. The percentage of PSUs vesting will be 50% for achieving 80% of the median EPS, 100% for achieving the median EPS, 150% for achieving 120% of the median EPS, and up to a maximum of 200% for achieving 140% of the median EPS.

Grant date: 14 June 2021
Vesting date: 14 June 2024

Percentage of achievement after third anniversary date (cliff vesting):

Performance criteria		% Weighting of criteria	Percentage of achievement at review at third grant anniversary date (14 June 2024)
TSR - SBF 120 Index		25.00%	0%
TSR - DAX Index		25.00%	0
TRS - Peer Group	Carbon Steel	12.50%	0%
	Stainless Steel	12.50%	0%
EPS - Peer Group	Carbon Steel	12.50%	0%
	Stainless Steel	12.50%	22.62%
Total		**100.00%**	**22.62%**

For the PSU Plans under the 4 May 2022, 2 May 2023 and 30 April 2024 shareholder authorisations, no vesting has yet been reached. The LT PSU Plans provide for cliff vesting on the third year anniversary of the grant date subject to the fulfilment of cumulative performance criteria over a three-year period,

under the condition that the relevant LT member continues to be actively employed by the Aperam Group on that date.

Share Ownership by Directors and Leadership Team

As of 31 December 2024, the aggregate beneficial share ownership of Aperam Directors and the Leadership Team amount to 191,073 Aperam shares (excluding shares owned by Aperam's significant shareholder). Other than the significant shareholder, no director or member of senior management beneficially owns more than 1% of Aperam's shares. See definition of significant shareholder in the 'Share Capital' section of this report.

The allocation of Aperam equity incentives to senior management is described in the 'Share Capital' section of this report.

In accordance with the Luxembourg Stock Exchange's 10 Principles of Corporate Governance, non-executive members of Aperam's Board of Directors do not receive share options, RSUs or PSUs.

Our Environmental Responsibility

Aperam is one of the world's lowest CO_2 footprints stainless steel producer.[7] This is the result of our European production route based on fully recyclable stainless steel scrap, and the use of charcoal from our sustainable cultivated forests in Brazil. With the acquisition of ELG, completed in December, 2021, Aperam is investing in sustainable recycling and will further improve its leading environmental footprint and support its CO_2 reduction targets.

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 the circular economy.

[7] Scope 1 and 2

Sustainable Production Processes

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

After the acquisition of ELG, a global leader in stainless steel and superalloys recycling, in 2021, we continued our journey to improve our leading environmental footprint and support our 2030_2 reduction targets (see below).

Environmental		Target
Energy consumption	Electricity & Nat. Gas intensity consumption - reduction vs 2021	(10)%
CO_2e emissions	GHG emissions intensity (scope 1/2/3) per ton reduction vs 2021	(20)%
Air emissions	Dust emissions intensity - reduction vs 2015	(70)%
Water consumption	Water consumption intensity - reduction vs 2015	(40)%
Waste & Recycling	Proportion of wastes recycled or reused (aiming at 100%)	>97 %

Climate Change and CO_2 Leadership

Our state-of-the-art carbon footprint (scope 1 and 2), which is already nearly three times better than ISSF's average of 0.9 t CO_2/tons of crude steel, is based on the following setting:.

- On the European side, our electric arc furnaces leverage locally available scrap material instead of extractive raw materials. In doing so, they generate about 5 to 6 tonnes less CO_2 per tonne of stainless-steel produced compared to integrated producers using blast furnaces or Rotary Kiln Furnaces for Nickel Pig Iron (Asia). Having a specialist in recycling (ELG) within our group makes this recycling component still more explicit.

- 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).

To go further in terms of decarbonisation and energy management, we'll use the following levers:

- Direct emission and energy footprint enhancement, increasing our energy efficiency, the share of renewables on our energy mix and reducing emissions trough low-carbon technologies such as heat recovery and oxy-burners,
- Direct emissions captures or removals, leveraging BioEnergia agroforestry's expert genetic selection and silvicultural management, together with additional capture or removal technologies such as biochar spreading to the soil,
- Deployment of our Circular Economy strategy, benefiting from the Aperam Recycling segment and the Recyco unit for low-carbon input materials while developing re-use solutions for our wastes and by-products - either directly or through joint-ventures,
- Active management of our Supply Chain footprint, with relevant suppliers, logistics providers and customers,
- Partnering with stakeholders to advance innovation and R&D, share best practices with fellow industrialists on topics such as carbon capture and heating electrification, and enhance Climate Change policies.

Read on for more informations or check our Climate Action & Energy transition policy on our website.

⇨ Thanks to this many-fold strategy, we have reported our 2024 footprint, including certified carbon offsets (after fires) of -408kt and a net carbon intensity (scope 1+2, market based, all tons processed[8]) of 0.34* tons of CO_2e by ton of crude steel, amongst other indicators published within the Sustainability Information chapter.

BioEnergia, Our Responsible Forestry and Renewable Biocoal Producer

In Brazil, we have the unique capability to manufacture stainless and specialty steel from low cost biomass (charcoal) produced by Aperam BioEnergia with the wood 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 metal solutions leaders in terms of CO_2 footprint.
Please refer to section 'Our Operational Organisation and Facilities' of this Report for more information.

Aperam Recycling, Recyco and the Circular Economy

At Aperam, the circular economy is truly at the heart of our strategy.

Including the recent addition of Aperam Recycling, Aperam has about 25% of its workforce creating value from working in the renewable and recycling upstream.

Stainless steel is an endlessly reusable product, meaning it is both an input and an output to our industrial process. This is a unique property, and one that Aperam is fully committed to optimising. Many of our products contain over 80% metallic scrap, and this is especially true for the stainless steel melt in Genk and Châtelet, where some of our austenitic products contain an average of 90% scrap.

But as an active promoter of a circular economy, we not only recycle scrap into our production, we also recycle and reuse such external wastes as tires and cans, as well as recycled materials used in our production process like electrodes and refractories.

We are very proud of our unique capability to treat meltshop by-products such as dust and sludge with the aim of extracting valuable metallic content, primarily Nickel. This is done by our Recyco subsidiary, hosted at our Isbergues site. Recyco recovers the valuable components of the residues coming from Aperam's European steel mills, as well as from other external steel makers. In doing so, we can avoid the landfill of useful materials and reduce the need to further extract new materials.

[8] Tons processed including purchased slabs.

Pollution Prevention and Water Management

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 emergency drill 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. Furthermore, we conduct periodic and complementary soil and noise analyses.

Our sole unit operating in a severe permanent hydric stressed area is BioEnergia. Thanks to the work of our local research & development team, genetic improvement technology has been continuously adapting our trees to the dry local conditions, ending up depriving the plants from the so-called pivoting roots that could have reached deep water tables. The unit also continuously develops and applies measures to control and sustainably use water and raise the awareness of local communities about fire and water related risks. Furthermore, BioEnergia is unique in that it only plants trees on rainy days. Although doing so results in operational difficulties, it significantly decreases the amount of water used.

⇨ In line with our commitment to the responsible use of water, in 2024, we responded to the 'Water' survey of the Carbon Disclosure Project (CDP). For the third reporting year, Aperam is proud to disclose a B rating in recognition of its efforts.

Biodiversity Protection

Unique to our industry is Aperam's focus on biodiversity. BioEnergia's forestry has been planted for decades and in no way contributes to deforestation - a very valid concern from environmental organisations. Because the now cultivated land used to be a large, mostly infertile and little used territory of Minas Gerais, far from the Amazon rainforest, the Brazilian government decided to dedicate it for profitable forestry back in the 1970's.

Today, Aperam BioEnergia maintains native forest areas as a reserve of local biodiversity and is also systematically avoiding and minimising the use of chemical fertilisers and pesticides that eventually concentrate into the soil and water.

⇨ Our Brazilian forestry had its Forest Stewardship Council's (FSC®) renewed. This recognition was the outcome of a thorough review of our unit's innovative practices, which combine efficient plantation management (using biological pest control) and a widely-recognised programme for protecting local flora and fauna, including large mammals, all on top of our state-of-the-art stakeholder engagement.

Provision of Energy-efficient and/or Water-saving Steel Solutions

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

Our products are used in a number of energy efficient applications, thereby contributing to the United Nations' Sustainable Development Goals 3, 5, 6, 7, 9, 11, 12, 13 and 16, which relate to 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; and Peace, Justice and Strong Institutions.

Our 100% recyclable and low energy-consumer solutions comprise:

> e-mobility solutions,

> clean air,

> cryogenic applications,

> sustainable water supply,

> solar power,

> renewable energy,

> hydrogen economy.

EU Taxonomy

Compliance with Regulation (EU) 2020/852 on EU Taxonomy

Introduction

In order to meet the EU's climate and energy targets for 2030 and reach the objectives of the European Green Deal, in line with the Paris Agreement, the Green Pact and the Sustainable Development Goals, investments will have to be channelled towards sustainable projects and activities. The EU Taxonomy is a classification system establishing the conditions that an economic activity has to meet in order to qualify as sustainable, as described by the Regulation (EU) 2020/852 published on 18 June 2020 and further amended.

Specifically an activity must make a substantial contribution to one or more of the six environmental objectives established by the European Union, without having a significant detrimental impact (the Do No Significant Harm principle or DNSH) on the other five, while meeting certain minimum social safeguards, defined as ILO Core Labour Conventions, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Complementary regulatory developments were published in the course of 2021 specifying the content, methodology and presentation of information to be disclosed by Financial and Non-Financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities. A phased implementation is planned in accordance with the Disclosures Delegated Act: non-financial undertakings had to disclose in 2022 on the 2021 accounts, as a preliminary analysis the proportion of EU Taxonomy-eligible and EU Taxonomy non-eligible economic activities in their total turnover, capital and operational expenditure, whereas starting on the 2022 accounts, the alignment with all criteria contributing to climate change mitigation or adaptation (including DNSH) had to be assessed and reported. The Environmental Delegated Act introducing four new environmental objectives and amendments to the Climate Delegated Act were published, both to be applied in 2024 for Taxonomy reporting on 2023, with simplification rules for certain elements in the first year, such as reporting only Taxonomy-eligibility for new activities in 2024. The European Commission also proposed changes to the Disclosures Delegated Act for first-time reporting on new activities and modification of reporting templates, to be applied in 2024 for Taxonomy reporting in 2023, with similar simplification rules. The Complementary Climate Delegated Act, which establishes the DNSH for the Annex 1 and Annex 2 objectives in relation to natural gas and nuclear energy activities, do not apply to Aperam and are therefore not accounted for in the following assessment.

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Implications for Aperam, as a Non-financial Undertaking

In accordance with Article 10 (3) of the Disclosures Delegated Act, non-financial undertakings shall disclose from 1 January 2023 their key performance indicators (KPIs) and accompanying information pursuant to Annex I and II of the Regulation.
The following disclosures cover the Aperam Group, joint ventures are not included.

The identification of the eligible activities corresponds to a preliminary screening of the activities likely to participate in a transition to a low-carbon EU economy. Alignment entails the confirmation of the undertaking meeting the technical criteria defined for its sector (for instance, in terms of CO_2-equivalent intensity or level of circularity), together with the DNSH requirements and Minimum Safeguards.
Turnover KPI: represents the proportion of the net turnover derived from products or services that are EU Taxonomy-aligned. The Turnover KPI gives a static view of the Group's contribution to environmental goals.
OpEx KPI: represents the proportion of the operating expenditure associated with EU Taxonomy-aligned activities or to the CapEx plan. The operating expenditure covers direct non-capitalised costs relating to research and development, renovation measures, short-term leases, maintenance and other direct expenditures relating to the day-to-day servicing of assets or property, plant and equipment that are necessary to ensure the continued and effective use of such assets.
CapEx KPI: represents the proportion of the capital expenditure of an activity that is either already EU Taxonomy-aligned, linked to a purchase of output or individual measures or is part of a credible plan to extend or reach EU Taxonomy alignment. CapEx provides a dynamic and forward-looking view on companies' plans to transform their business activities.

Methodology & Results

Disclosure

To ensure the timely and legally-compliant fulfilment of its disclosure obligations, Aperam established an interdisciplinary project team that analysed the existence of taxonomy-eligible activities in close coordination with the representatives of the Group's segments and functions.

Eligibility

Following an analysis of our activities, we concluded that our entire Stainless and Electrical Steel production, as well as our Services & Solutions service centres, are considered by EU Taxonomy as economic activity: 3.9- Manufacture of iron and steel. This activity is identified in the supplementing Commission Delegated Regulation 2021/2139, which focuses on climate mitigation objectives and are 'transitional activities', meaning activities supporting the transition to a climate-neutral economy under specific circumstances when there is no technologically or economically feasible low-carbon alternative for the respective activity. For further reference, the substantial contribution criterion for Climate Change mitigation from the Iron and Steel sector is one of the following: a CO_2e intensity calculated at crude steel level (for blast furnaces or electric arc furnaces) or a percentage of scrap input relative to the production output, which stands as 70% minimum for the production of high alloy (stainless) steel.

Since 2022, our Alloys & Specialties business has been included in our analysis and reporting, which can be found below, and under economic activity: 3.9- Manufacture of iron and steel. In 2023, prompted by an external challenge regarding the eligibility of Alloys & Specialties within the EU Taxonomy framework, we conducted a thorough re-evaluation. We concluded on keeping included as eligible the division's activities, supported by a set of key indicators and the equivalence of the industrial process leading to the elaboration of so-called 'stainless steel' (high alloys, according to the EU Taxonomy and EU BAT-BREF), our core products, on the one hand, and other materials marketed by Aperam Alloys Imphy as 'alloys' on the other hand (see below). Following the guidance detailed below issued by the European Commission on the content of the Climate Delegated Act and Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation, we concluded that Alloys products, though not directly considered by the Taxonomy Regulation through NACE codes, should be deemed eligible based on continuum of process and usual business practices. The absence of a unique definition for steel and ferro-alloys led us to analyse the proximity of classification between Alloys & Stainless Steel activities.

Both are covered by the EUROFER association under the 'stainless & specialty steel' category next to 'steel', and are subjected to the same rules and norms, such as national permit procedures, the European Union's Emission Trading System, and the EU Best Available Techniques for Iron and Steel Production. This common categorisation is justified by the seamless process of design, production, and transformation of specialty alloys and specific stainless steels, with no inherent distinction beyond alloying element percentages (to learn more on the process, please refer to the item below "Stainless & Alloys, a Production Continuum"). The shared objective of creating economic activities aligned with the EU's highest environmental and climate objectives further supports our position.
Considering NACE codes as guidance rather than strict determinants, in accordance with the European Commission FAQ[9], the eligibility assessment was revisited by virtue of production continuum and usual business practices. This methodology involved examining not only the similarities in business processes and product composition within the Alloys steel production sector, but also a careful analysis of consistent regulatory treatment of Alloys & Specialties compared to Stainless Steel. This nuanced approach ensures a thorough understanding of the sector's compliance with EU Taxonomy criteria, maintaining alignment with sustainability and environmental responsibility goals.
This guidance confirmed our initial analysis. Therefore, Alloys and Specialties will be included and examined under the same criteria as our Stainless and Electrical Steel production.

[9] FAQ EU Taxonomy Eligibility reporting part 2: "How should NACE codes be used to identify Taxonomy-eligible activities in the context of eligibility reporting ?"

The Draft Commission Notice, published on 29 November 2024, includes guidance in FAQ 11. Given its draft status and late publication date, we will not consider it for our 2024 reporting. However, if the guidance is validated without conflicting updates, it will be assessed during 2025 and applied to our 2025 reporting onward. Based on our current understanding, this could lead to the exclusion of KPIs related to the Alloys & Specialties segment from our reporting starting in 2025.

Lastly, as of December 2022, we have been able to assess that Aperam Recycling operations are in line with economic activity 5.9-Material recovery from non-hazardous waste. This activity is identified in the supplementing Commission Delegated Regulation 2021/2139. For further reference, the substantial contribution criterion for Climate Change mitigation is that the activity shall convert at least 50%, in terms of weight, of the processed and separately collected non-hazardous waste into secondary raw materials that are suitable for the substitution of virgin materials in production processes. The operations were also considered eligible under 2.7- Sorting and material recovery of non-hazardous waste.

In 2024, we also reviewed the eligibility of our forestry activities under Aperam BioEnergia, considering their role in sustainable forest management. Following this assessment, we concluded that Aperam BioEnergia qualifies as an eligible activity under the EU Taxonomy for forestry management (1.3). The review was based on the compliance of BioEnergia's activities with sustainable forest management principles, including responsible land use, biodiversity protection, and climate adaptation strategies. The certification under FSC® standards further validates its alignment with key environmental and social sustainability criteria. Additionally, the contribution of BioEnergia's renewable biomass production to low-carbon steelmaking strengthens its positioning as an activity that supports the transition towards climate neutrality. As a result, Aperam will now include forestry management in its EU Taxonomy eligibility assessment and figures of 2023 were restated in this respect.

We identified three different activities.

Alignment

Substantial Criteria

As for our Stainless (and Electrical Steel) and Alloys (and Specialties) activities considered as part of the Taxonomy 'Manufacturing of iron and steel', their alignment depends on their ability to meet either one of the two thresholds hereafter:

a- The GHG emissions, calculated according to the methodology used for EU-ETS benchmarks (i.e., the Commission Delegated Regulation (EU) 2019/331). This methodology refers to the direct[10] GHG emissions generated by the production of hot metal (ex-caster, i.e.before hot rolling), which shall not exceed the following values applied to the different manufacturing process steps:

- Hot metal from blast furnace route = 1,443 tCO_2e/t product (adaptation) or 1.331 (mitigation)
- Electric arc furnace (EAF) high alloy steel = 0,360 tCO_2e/t product (adaptation) or 0.266 (mitigation)

b- The steel scrap input relative to product output is: (i) at least 70 % for the production of high alloy steel or (ii) at least 90% for production of carbon steel.

Following Aperam's externally verified calculations regarding CO_2e emissions (scopes 1 and 2), in line with the best standards and whose consolidated results are published above, both our Stainless & Electrical Steel (Europe and South America), as well as Alloys & Specialties activities had, in 2024 and like previous years, a CO_2e intensity calculated at crude steel level (non-biogenic, ex caster) and compliant with the requirements of the substantial criteria for alignment as 'climate change mitigation' activities.

Aperam Recycling's activity is accounting for a well above the required conversion rate in terms of weight, of the separately collected non-hazardous waste into secondary raw materials that are suitable for the substitution of virgin materials in production processes. As the sourcing and reconditioning of the scrap do not include any substantial loss of volume due to the lack of heat-processing, the conversion rate is to be considered at a minimum of 90%. The sorting process as also been examined in line with the activity 2.7 substantial criteria requirements.

[10] Usually referred to as 'scope 1' in line with the greenhouse gas (GHG) protocol, in relation to 'scope 2' and 'scope 3'

However, the forestry related activity in BioEnergia could not demonstrate alignment with the EU Taxonomy requirements of the substantial criteria, due to a difference in methodological documentation request between the EU Taxonomy directive and the national and FSC® certification that Aperam aligns with.

Do No Substantial Harm (DNSH) Criteria

DNSH criteria compliance assessment has been made according to the Technical Working Group Methodological Report (March 2022) and the objective-specific Annexes, for all relevant activities, and confirmed alignment in 2024. The 'Circular Economy' objective is not applicable to our activities. Assessment of conformity has been carried out by reviewing the existing policies, procedures, and risk management plans in place both at the local and global levels and having in scope all steps of our activities. Their effectiveness is measured both by internal KPIs and reporting, as well as the assessment made of notices of non-conformities received for the previous year. The physical risk assessment is ongoing, enhanced on an annual basis, to identify risks. We will continue to further improve our assessment and mitigation strategies with available methodologies.
Substances of Concern are linked to Aperam's stainless and specialty alloyed steel production activities, and thoroughly controlled. We are actively following this matter and to date, our analysis has not identified any misalignment with relevant activities. However, as methodologies, sector-specific guidelines, and regulations evolve, we will continue to refine our assessment.

However, as part of the DNSH 'Pollution Prevention and Control' (PPC) stands a specific requirement that, to our understanding, demands that our sector's operating units' emissions be within or lower than the emission levels associated with the best available techniques (BAT-AEL) for Iron and Steel production.

All our main units taken as reference for this analysis, and as such the Brazilian plant of Timóteo, operate in compliance with their applicable regulation and Aperam internal standards[11], defined as per the local regulations and common practices with detailed air emissions and water intake/discharge specifications. Lack of alignment between the requirements defined under the rules of EU Taxonomy (BAT) and those applicable under Brazilian law currently prevents us from concluding our Brazilian operations's compliance to the DNSH PPC in 2024, 2023 or 2022 and of its subsequent alignment with the EU Taxonomy criteria. However, we are proud to declare that our Brazilian units are on track with ensuring compliance with BAT, a commitment that, when reached, will allow full alignment per EU Taxonomy standards.

A first milestone has been reached by obtaining the ResponsibleSteel™ certification (See also the section Corporate Governance) in early 2023.

Minimum Safeguards

The verification of compliance with the Minimum Safeguards, as described in point (c) of Article 3 of the regulation, is the final phase of analysis. As the Aperam Group deals with these international standards at a global level, a common analysis of the eligible activities was performed to determine the results. Taxonomy reporting underlines Aperam's wide-ranging commitment over many years to its employees and stakeholders, reflected in the Group's long-standing adoption of internal charters, policies and codes of conduct that are based on the highest regulatory and sectoral standards and which serve as guidelines for all our activities (see Aperam's Code of Conduct, available here). Aperam's duty of care on the monitoring and evaluation of compliance with these principles is materialised in its dedicated governance structure, which ensures that its values and guidelines are applied at all levels (See also the section Corporate Governance). In the financial year 2024, the Aperam Group has not been convicted in court for any major violation of human rights, taxation, corruption/ bribery nor fair competition. Aperam continues its commitment to the most demanding international standards and has inscribed this effort in a long-term and global effort, with several certification processes achieved and ongoing.

[11] Standards in line with ResponsibleSteel™ certification for Timóteo

KPIs

We confirm to the best of our knowledge that the financial information of Aperam presented under the European Taxonomy section is a contributive financial information in line with the IFRS. All calculations are based on the latest independently audited figures available, as per the Accounting Policies tailored to Aperam's business and situation, referred to in the Annual Report's Financial Report notes.
The totals of the economic activities eligible for the taxonomy were obtained by adding the total per entity and using the same accounting principles that apply to the preparation of our Consolidated Annual Financial Statements. Non-eligible and non-aligned activities have then been processed following the same methodology, by segments and entities contribution when finer examination is needed to distinguish non-aligned entities in the same segment.

The proportion of turnover derived from taxonomy-aligned activities was calculated in line with the Accounting Directive and included the elimination of intercompany balances. Please refer to the Consolidated Statements Note 3 Segment and Geographic Information for additional information.

Capital Expenditures taken into consideration consist of purchases of property, plant, equipment and purchases of intangible assets related to either supporting steel-making or recycling capabilities. It is reported in the Consolidated Statement of Financial Position, Note 12 “Intangible Assets”, Note 13 “Biological assets” and Note 14 “Property, Plant and Equipment”. As of the year 2024, plans to improve alignment have not yet been taken into account separately.

Operating expenditures are restricted under applicable regulation, and consist of expenses related directly to the production. Have been considered compliant: expenses of Materials (R&M related Costs) and of Others, rental charges (production), other production services such as cleaning, testing; and IT dedicated to production maintenance.

Overall, according to our analysis above, the two activities considered aligned under the EU Taxonomy regulation represent 83% of turnover, 75% of OpEx, and 59% of CapEX of the Aperam Group as of 31 December 2024.

Aperam	**EU Taxonomy - eligible (%)**	**EU Taxonomy - aligned (%)**	**EU Taxonomy Non-aligned and Non-eligible (%)**
Turnover	100%	83%	17%
CapEx	82%	59%	23%
OpEx	96%	75%	22%

Assumptions, Data Limitation and Perspectives

Aperam is committed to ensuring the continuity and traceability of its disclosed results. Therefore, we applied to each assessment process described herein specific control and alert procedures to allow the internal reporting channel to directly consider the EU Taxonomy's requirements and to measure the potential impact, when not already in place.

To determine the alignment of our activities we used publicly available sector information, along with audited publicly available financial and environmental data.

We are confident that the assessment made in line with the Regulation is legitimate. We also expect further clarifications and additions to the EU Taxonomy documentation to address some uncertainties and recognise the benefits of specific sub-sectors. The evolution of our methodology will focus on aligning with the evolving regulatory landscape and ensuring robust, transparent disclosures capable of withstanding scrutiny. This commitment underscores our dedication to providing stakeholders with accurate and comparable sustainability information in the dynamic landscape of EU Taxonomy compliance.

The Draft Commission Notice, published on 29 November 2024, includes guidance in FAQ 11. Given its draft status and late publication date, we will not consider it for our 2024 reporting. However, if the guidance is validated without conflicting updates, it will be assessed during 2025 and applied to our 2025 reporting onward. Based on our current understanding, this could lead to the exclusion of KPIs related to the Alloys & Specialties segment from our reporting starting in 2025.

Reporting 2024 - Tables

	Proportion of turnover/Total turnover		**Proportion of CapEx/Total CapEx**		**Proportion of OpEx/Total OpEx**	
	Taxonomy-aligned per objective	Taxonomy eligible per objective	Taxonomy-aligned per objective	Taxonomy eligible per objective	Taxonomy-aligned per objective	Taxonomy eligible per objective
CCM	83.11%	100.00%	59.19%	99.40%	75.49%	98.57%
CCA	—%	—%	—%	—%	—%	—%
WTR	—%	—%	—%	—%	—%	—%
CE	17.11%	17.11%	6.34%	6.34%	10.47%	10.47%
PPC	—%	—%	—%	—%	—%	—%
BIO	—%	—%	—%	—%	—%	—%

Proportion of Turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Financial year N	Year			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm") (h)									
Economic activities (1)	**Code (a) (2)**	**Turnover (3)**	**Proportion of Turnover year N (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)**	**Category Enabling activity (19)**	**Category transitional activity (20)**
Text		Currency	%	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel - Aperam Stainless & Electrical Europe	**CCM 3.9**	1,179,187,863	18.85	**Y**	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	21.01		T
Manufacture of iron and steel - Aperam Services & Solutions	**CCM 3.9**	2,045,830,681	32.70	**Y**	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	28.64		T
Manufacture of iron and steel - Alloys & Specialties	**CCM 3.9**	903,376,053	14.44	**Y**	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	13.21		T
Recycling - Material recovery from non-hazardous waste - Aperam Recycling	**CCM 5.9, CE 2.7**	1,070,283,317	17.11	**Y**	N/E	N/E	N/E	Y	N/E	Y	Y	Y	Y	N/A	Y	Y	18.69		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		5,198,677,913	83.11	83.11%	N/E	N/E	N/E	0%	N/E	Y	Y	Y	Y	N/A	Y	Y	81.55		
Of which Enabling		N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	N/E		
Of which Transitional		4,128,394,597	66.00	66.00%						Y	Y	Y	Y	N/A	Y	Y	62.86		T
A.2.Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of iron and steel - Aperam Stainless & Electrical Brazil	CCM 3.9	789,508,595	12.62														13.90		
Manufacture of iron and steel - Aperam Services & Solution (related to S&E Brazil)	CCM 3.9	246,509,521	3.94														4.30		
Forestry Management - Aperam BioEnergia	CCM 1.3	20,743,475	0.33														0.22		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,056,761,591	16.89														18.42		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		6,255,439,504	100.00														99.97		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		45,614	0.00																
TOTAL		6,255,485,118	100.00																

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Financial year N	Year			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm") (h)									
Economic activities (1)	**Code (a) (2)**	**CapEx (3)**	**Proportion of Turnover year N (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A. 2.) CapEx, year N-1 (18)**	**Category Enabling activity (19)**	**Category transitional activity (20)**
Text		Currency	%	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel - Aperam Stainless & Electrical Europe	**CCM 3.9**	55,189,825	29.64	**Y**	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	33.17		T
Manufacture of iron and steel - Aperam Services & Solutions	**CCM 3.9**	15,540,401	8.35	**Y**	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	5.97		T
Manufacture of iron and steel - Alloys & Specialties	**CCM 3.9**	27,679,730	14.86	**Y**	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	11.8		T
Recycling - Material recovery from non-hazardous waste - Aperam Recycling	**CCM 5.9, CE 2.7**	11,812,688	6.34	**Y**	N/E	N/E	N/E	Y	N/E	Y	Y	Y	Y	N/A	Y	Y	4.22		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		110,222,644	59.19	59.19	N/E	N/E	N/E	0%	N/E	Y	Y	Y	Y	N/A	Y	Y	55.16		
Of which Enabling		N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	N/E		
Of which Transitional		98,409,956	52.85	52.85						Y	Y	Y	Y	N/A	Y	Y	50.95		T
A.2.Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of iron and steel - Aperam Stainless & Electrical Brazil	CCM 3.9	39,033,590	20.96														24.93		
Manufacture of iron and steel - Aperam Services & Solution (related to S&E Brazil)	CCM 3.9	3,493,103	1.88														1.10		
Forestry Management - Aperam BioEnergia	CCM 1.3	32,345,377	17.37														17.70		
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		74,872,069	40.21														43.74		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		185,094,713	99.40														98.90		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy non-eligible activities		1,121,380	0.60																
TOTAL		186,216,093	100.00																

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Financial year N	Year			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm") (h)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of Turnover year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A. 2.) OpEx, year N-1 (18)	Category Enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y; N; N/E (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel - Aperam Stainless & Electrical Europe	**CCM 3.9**	113,255,504	47.85	**Y**	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	51.68		T
Manufacture of iron and steel - Aperam Services & Solution	**CCM 3.9**	11,516,877	4.87	**Y**	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	3.55		T
Manufacture of iron and steel - Alloys & Specialties	**CCM 3.9**	29,131,683	12.31	**Y**	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	9.42		T
Recycling - Material recovery from non-hazardous waste - Aperam Recycling	**CCM 5.9, CE 2.7**	24,785,424	10.47	**Y**	N/E	N/E	N/E	Y	N/E	Y	Y	Y	Y	N/A	Y	Y	9.22		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		178,689,488	75.49	75.49	N/E	N/E	N/E	0%	N/E	Y	Y	Y	Y	N/A	Y	Y	73.87		
Of which Enabling		N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	Y	Y	Y	Y	N/A	Y	Y	N/E		
Of which Transitional		153,904,064	65.02	65.02						Y	Y	Y	Y	N/A	Y	Y	64.65		T
A.2.Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of iron and steel - Aperam Stainless & Electrical Brazil	CCM 3.9	43,322,441	18.30														16.23		
Manufacture of iron and steel - Aperam Services & Solution (related to S&E Brazil)	CCM 3.9	5,865,320	2.48														2.19		
Forestry Management - Aperam BioEnergia	CCM 1.3	5,435,629	2.30														7.42		
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		54,623,390	23.08														25.84		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		233,312,878	98.57														99.71		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities		3,393,213	1.43																
TOTAL		236,706,091	100.00																

Sustainability Information 2024

Key Performance Indicators

At Aperam, transparency and accountability are central to our sustainability approach. In this Sustainability Information chapter, we present our key performance indicators in Health & Safety and Environmental impact, along with the associated Methodological Note, providing clarity on our reporting framework for Aperam S.A. (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2024.

Health and Safety Indicators

Indicator WR Incident	Unit	2024
Fatalities - All	#	1
Fatalities - Employees (1)		0
Fatalities - Contractors		1
TRIR - All*	Number of incidents per million hours worked	4.69
TRIR - Employees (1)*		5.13
TRIR - Contractors*		3.62
TRI - Employees (1)	#	*110*
TRI - Contractors		*32*
LTIFR - All*	Lost-time incidents per million hours worked	1.78
LTIFR - Employees (1)*		2.24
LTIFR - Contractors*		0.68
LTI - Employees (1)	#	*48*
LTI - Contractors		*6*
Severity Rate - All*	Lost-time incidents per million hours worked	0.15
Severity Rate - Employees (1)		0.17
Severity Rate - Contractors		0.09
Days Lost - Employees (1)	#	*3633*
Days Lost - Contractors		*793*

(1) Including Interim workers
****Data subject to limited assurance***

2024 was marked by the fatal accident of a Harsco contractor employee at our Châtelet site when performing maintenance on a grinder installation.

Our TRIR - All (Total Recordable Injury Rate) looks at the number of total recordable work-related injuries for both Employees and Contractors and compares it to the total number of hours worked. A recordable work-related injury is any case that results in either death, loss of consciousness, days away from work, restricted work activity, transfer to another job, or medical treatment beyond first aid. Our 2024 result is 4.69.

Our LTIFR - All (Lost Time Injury Frequency Rate) looks at the number of lost time injuries for both Employees and Contractors and compares it to the total number of hours worked. The LTIFR in 2024 was 1.78.

Our Severity Rate looks at the days lost due to work-related injuries (as defined in TRIR) and compares it to the total number of hours worked.

Our health & safety management and practices are governed by our Health & Safety Policy and supported by a Management System approach, with certification and continuous improvement.

Our roadmap is built around our H&S Paradigm oriented around 4 pillars: Fail Safe, No-Repeat, Worker Involvement and Worker Well-Being. Every year a dedicated H&S Action plan is build ensuring actions are taken at all our sites on these 4 pillars.

With the creation of the dedicated Global Health function, we aim to cover the Health topics by working on physical and mental well-being programs to our people.

Training is central to our Health & Safety program and delivered in local languages. Aperam employees, as well as subcontractors, are briefed and trained on safety. Safety is material inside Aperam as well outside the organisation. In particular, all subcontractors operating on our sites are being fully considered in our action plans and approach and they are part of our reporting.

Environmental Indicators

Indicator	Unit	2030 targets	2024
Energy: Elec + Nat. Gas + LPG (2)*	GJ/tcs(1)	6.9 (-11% vs 2015)	8.5
Energy: All*	GJ/tcs(1)	-2	13.4
CO2 sequestration (3)*	ktCO2e	n/a	(408)
Dust emissions (exhaustive)*	t	n/a	166.4
Dust emissions intensity*	g/tcs(1)	75.7 (-70% vs 2015)	86.3
Water intake*	million m3	n/a	19.1
Water intake intensity*	m3/tcs(1)	6.1 (-40% vs. 2015)	9.9
Metallic scrap ratio*	%	n/a	65%

**Data subject to limited assurance*
(1)Ton of crude steel, 'all tons', i.e. including 'purchased tons'. Since 2023, a change of methodology has been applied, the tcs corresponds to the gross production value. For more information, see the methodological notes below.
(2) 2030 objective scope limited to electricity, LPG and natural gas only.
(3) For 2024 calculated based on a carbon stock computed in light of the updated native forestry categorisation (based upon more advanced satellite imagery) and the latest (2022) updates of the reference database (United States Geographical Survey, USGS).

Air emissions and primarily dust emissions are amongst the key topics of interest of our local stakeholders. According to our Environmental policy, Aperam's commitment is to go beyond legislation.

Absolute values and intensities, by scope	GRI	Unit	Target 2030	2024
(a) Scope 1 - Non-Biogenic (absolute value)*	305-1	ktCO2e	n/a	860
Scope 1 - Biogenic (absolute value)*	305-1		n/a	812
Scope 2 (absolute value) location based*	305-2		n/a	217
(b) Scope 2 (absolute value) market based*	305-2		n/a	196
(A) Scope 1+2 gross (absolute value: a+b)	n/a		n/a	1077
(c) CO2 Sequestration*	n/a		n/a	-408
(B) Scope 1+2 net (absolute: a+b+c)	n/a		n/a	648
(A') Scope 1+2 gross intensity (own tcs): (A)/tcs*	305-4	tCO2e/tcs	0.37	0.55
(A'') Scope 1+2 gross intensity (all tons): (A)/tcs*	305-4		0.37	0.55
(B') Scope 1+2 net intensity (own tcs): (B)/tcs*	n/a		0.3	0.34
(B'') Scope 1+2 net intensity (all tons): (B)/tcs*	n/a		0.3	0.34

**Data subject to limited assurance*

Methodological Notes

In this Note, we propose to detail our methodologies as they are implemented and to highlight how and why they can deviate from existing norms, to ensure transparency and explain our rationale.

Occupational Health and Safety

To comply with the Aperam safety standards (based upon ILO, International Labour Organisation and Worldsteel guidance), all accidents are only counted once and are put in the highest category. So, if the accident resulted in a fatality, it is categorised as such and a number of 6 months are considered as lost days. We assess if the person was absent from work for at least one day, excepting the day of the incident. If this is the case then the incident is categorised as a lost time incident (LTI). If not, we assess if the person benefited from ‘adapted work’ as prescribed by a medical professional. If this is the case then the incident is categorised as a Restricted Work incident (RW). If the person has received medical care, the incident is classified as a medical aid (MA). If not, we count it as an incident requiring first aid (FA).

We also use a Severity rate and a number of leading indicators to check on the deployment of our programs. Also, we track performance very closely and report on it monthly within our Group.

In order to calculate injury frequency rates, we are capturing worked hours of Employees via local payroll systems and worked hours of Contractors via our ERP systems and enter them into our Just Report database accordingly.

Next to the regular LTIFR (Lost Time Injury Frequency Rate), which looks at the number of work-related lost time injuries for both Employees and Contractors and compares it to the total number of hours worked, we are using the TRIR (Total Recordable Injury Rate). This TRIR looks at the number of total recordable work-related injuries for both Employees and Contractors and compares it to the total number of hours worked. A recordable work-related injury is any case that results in either death (FI), loss of consciousness, days away from work (LTI), restricted work activity (RW), or medical treatment (MA). First aid cases are not included in the KPI calculation.

The following formulas are applied in calculating the above mentioned KPI's at three distinct levels: employees, contractors, and combined (employees plus contractors). Each of the following KPIs have the same three levels of disaggregation. For ease of reading, the formulas below mention "employees + contractors" but refer to the three categories: employees, contractors, and combined (employees plus contractors):

- LTIFR:
  - (Number of Lost Time Injuries x 1.000.000)/ worked hours
  - Lost Time Injuries Employees + Contractors
  - Hours worked for the reference period of Employees and Contractors
- TRIR:
  - (Number of Lost Time Injuries + Number of Restricted Work + Number of Medical Aids x 1.000.000)/ worked hours
  - Lost Time Injuries + Restricted Work + Medical Aid Employees + Contractors
  - Hours worked for the reference period of Employees and Contractors
- Severity Rate:
  - (Number Days Lost x 1.000)/ worked hours
  - Days Lost Employees + Contractors
  - Number of hours worked for the reference period of Employees and Contractors

GHG emissions

Context

For CO_2e accounting, we use emission factors for some input elements, particularly the raw materials and the energy but we also use chemical analysis run by our own laboratories - this is the case for our own products (eg. crude steel) or by-products (e.g. slags). The emission factors can be provided by the professional associations (EcoInvent, WorldSteel, International Stainless Steel Forum - ISSF) or the National Authorities, but firstly they come from our laboratory data and from our suppliers.

Description of the need

Avoiding double-counting and mixing of biogenic/non-biogenic emissions

Our process is fully embedded in the circular economy philosophy as it aims to be recycling / using all the by-products we generate during the production process. This brings additional complexity in our footprint inventory. Many by-products generated during a melting shop phase (i.e. recorded as stocks and not consumed materials) are re-entering the process as input for the further steps of the production process. This is the case, for instance, of blast furnace gas, almost 100% of which is reused as heating energy further down in the process in the Timoteo plant. The blast furnace process transforms the input materials (e.g. charcoal, iron ore, lime, refractory) into pig iron and blast furnace (BF) gas (mainly). The carbon (or carbon-equivalent) content (atoms) of such gas, identified at our laboratories thanks to chemical analysis, obviously comes from the input materials. So if we count the C-emissions from the input material at the BF stage of the process, counting also as emissions the carbon content of the gas during the phase of its reuse would mean double-counting the C atoms release. So firstly, we have to identify the volumes stocked as residues or (by)products to really focus on the consumptions only. Then, we need to always keep in mind the origin of the C-content when calculating the impacts at each phase of the process. This means that we have to "follow" the C-content, to identify the theoretical impacts at each phase and to neutralise in the total those already taken into account to avoid any double counting.

Since charcoal generates only biogenic emissions, tracing the carbon content from biomass is crucial to prevent double counting. It should be reported solely under Scope 1 biogenic emissions, not included in the (1+2) non-biogenic footprint.

Applicable methodologies

Mass Balance Accounting

The mass balance approach is also a more conservative approach to computing the CO_2e emissions from all our outputs (products, by-products).

The metallurgical effect of each input element needs to be analysed at each phase of the process as some consumables may have none, meaning their carbon-content may not be "emitted" but simply transmitted to the next phase of the process or stored permanently.

For instance, the materials introduced for the blast furnace phase of the process may have an important carbon content and even generate carbon emissions, but many of the latter may be captured within the Blast Furnace gases. In that case, we have to count the carbon emissions either during the blast furnace phase of the process, or during the re-use of that blast furnace gas to heat up slabs (or generate energy) - but not twice. This means that we have to model the process and follow the transformation of the materials in order to track the C-elements and their origin at each phase (Blast Furnace, Melting Shop, Hot Strip Mill, Cold Rolling Mill).

Of course, if the origin of the C-element is considered as biogenic (i.e. our charcoal made from biomass), the emissions will be reported separately. So our calculations are allocating to each input and output categories a proportion of "C biomass" and "C non-biomass", which is calculated until the end of the process stage and allocated to the final products, by-products and emissions. For the elements that play a role in the metallurgical phases, the CO_2e is considered as being from biomass origin to the same extent as for the total production input (averaging), reflecting the melting of all elements in this phase.

Energy Consumption Methodology

Two key performance indicators are reported regarding energy efficiency:

1.- Energy: Elec + Nat. Gas + LPG:
Definition: Energy consumption intensity, including only electricity, natural gas, and liquefied petroleum gas (LPG), divided by gross tons of crude steel produced and purchased during the reporting period.
Unit: Gigajoules per ton of crude steel (GJ/tcs).

2.- Energy: All:

Definition: Total energy consumption intensity from all energy sources (including fossil, nuclear, and renewables) divided by gross tons of crude steel produced and purchased during the reporting period.
Unit: Gigajoules per ton of crude steel (GJ/tcs).

In determining the two KPIs listed above, actual consumption data is collected directly in the unit of measure applicable for each energy source and converted to gigajoules (GJ) using appropriate conversion factors.

CO_2 removal methodology

CO_2e scope 1 removals of our forestry

The reference used for the calculations is 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Chapter 1 Introduction, Page 1.11, with the "Tier-1" methodology for the non-cultivated (native) forest and the "Tier-2" methodology for the cultivated (eucalyptus) forest. This means that the CO_2e impact for the native forest is calculated directly, based on ratios adapted to the specific carbon capture of the plants. For the cultivated forests, it is the difference between the stock for the year N and N-1 and can either be a capture (positive result) or an emission (negative result).

The coefficients used in the calculation mostly come from the relevant Brazilian Authorities and depend upon the type of trees or forest (in our case, for the native forest, Mata Atlãntica and Cerrado).

Although we are actively combating pests and fires, the surfaces that may be impacted (which are replanted, including for the native plantation) are fully considered. Their removals will not be counted and the emissions incurred (particularly by fires) are calculated together with the other forest CO_2e emissions. One important precision is the following, the fires do not damage the trees, the loss is of productivity and is accounted accordingly.

Non-Cultivated forest

These forests are not harvested, they are only protected from fire risk and maintained to thrive - they suffer no wood removal. Our FSC® certification (renewed regularly - since 2012) also encompasses requirements and verifications regarding these surfaces.

To calculate the CO_2e footprint of the forest, the key information concerns the spread of the areas analysed, according to the location with the type and maturity of the vegetation for each, and the carbon content of the biomass above the ground and underground. The maturity of the parcel is assessed by satellite technology and visual inspection then classified as low / medium / high level, with the size of the trees and density of the flora being a key element.

The general formula for the native forest is:
Potential CO_2e removals= Area surface (ha) * tCO_2e/ha * Coefficient

For each location/type of vegetation (here, Mata Atlãntica or Cerrado), the value of the “Coefficient” (of “regeneration”) depends upon the maturity of the parcel: full for the ‘high’ maturity vegetation (“avançado”) and minored by a 81% coefficient for the flora in a low/medium stage of maturity. The stage of maturity is defined upon the type of the trees, making the difference between little trees, medium trees and adult trees depending of height and density of the forest.

The total removals are the sum-total of the removals of each parcel of native forests maintained by Aperam (exclusive of areas such as storage houses, roads, etc.).

Cultivated forest

Each parcel is populated with trees of the same age, equally distributed, as planting is performed in one go for a full parcel using mechanical engines. For the cultivated forest, the removals are calculated for each parcel containing trees over two years of age. Before two years of age, the plants are not considered as wood and no removals are calculated (which stands as a conservative assumption).

To evaluate the carbon storage, we rely on the difference between the end stock (typically December 31st, Year N-1) and the entry stock (typically December 31st, Year N), in line with the “Tier 2” methodology as per the IPCC.
This is done by calculating the stock (both end and entry stock) following the same method, which is multiplying a coefficient of Carbon content for the dry matter by an evaluation of the total dry matter of the parcel. The latter is composed by the multiplication of:

- the volume of the trunks
- its expected normative density when it will be 6 years-old (depending on the species; maximum 7 years old)
- the average annual increase in carbon in the Eucalyptus (“biomass expansion factor”, needed to adjust the density to the age)
- the biomass dry matter, evaluating the other parts of the trees: live branches, leaves, roots, etc.

This summarises as:
Area surface (ha) * merchantable growing stock volume (m^3/ha)
*** D (wood density)**
*** (biomass expansion factor)**
*** [1+R (ton dry matter above and below ground : biomass)]**
*** CF (C-content by ton of dry matter)**

Forest inventory is held during the whole year by measuring samples/parcels (plot) on the field. We measure the tree trunk diameter and the height of the tree, which have all the same age on a given parcel. Then using mathematical models corroborated with sample measures, the wood volume is defined. According to our internal laboratory database, we elaborate the density per year.

Our FSC® certification also ensures that our forestry management follows the best practices and that our stocks of live or cut trees are properly evaluated and regularly externally audited.

The total removals are the sum-total of the removals of each parcel of cultivated forest hosting trees of over two-years age.

CO_2e emissions of our other activities

The CO_2e calculation will follow the GHG Protocol (Corporate Standard, Scope 2 guidance, GHG Global Warming Potential Values - Feb 16 2016), ISO14064, ISO14404 and European Directive 2009/28/EC guidance.

Basically the GHG emissions calculations are based on the formula:
Quantity of consumption * GHG emissions per unit of consumption

Data collection and calculations apply to all Aperam's industrial plants (including service centres), headquarters, main offices and sales offices.
Data for the main plants are collected and consolidated by main production stage: Blast Furnace, Melting Shop, Hot Rolling Mill, Cold Rolling Mill (with Timoteo plant's production also detailed by product type Carbon & Electrical Steel vs. Stainless Steel) in order to be able to:

- Follow scrupulously the main emissions and the reduction programs (on a monthly basis)
- Follow scrupulously the C-content as defined above, to avoid double-counting and identify biogenic emissions, as well as
- To assess the emissions "as is" of the purchased tons.

Scope 1

For the calculation, the yearly consumption of following categories are included, and represents all relevant sources of CO_2 emissions:

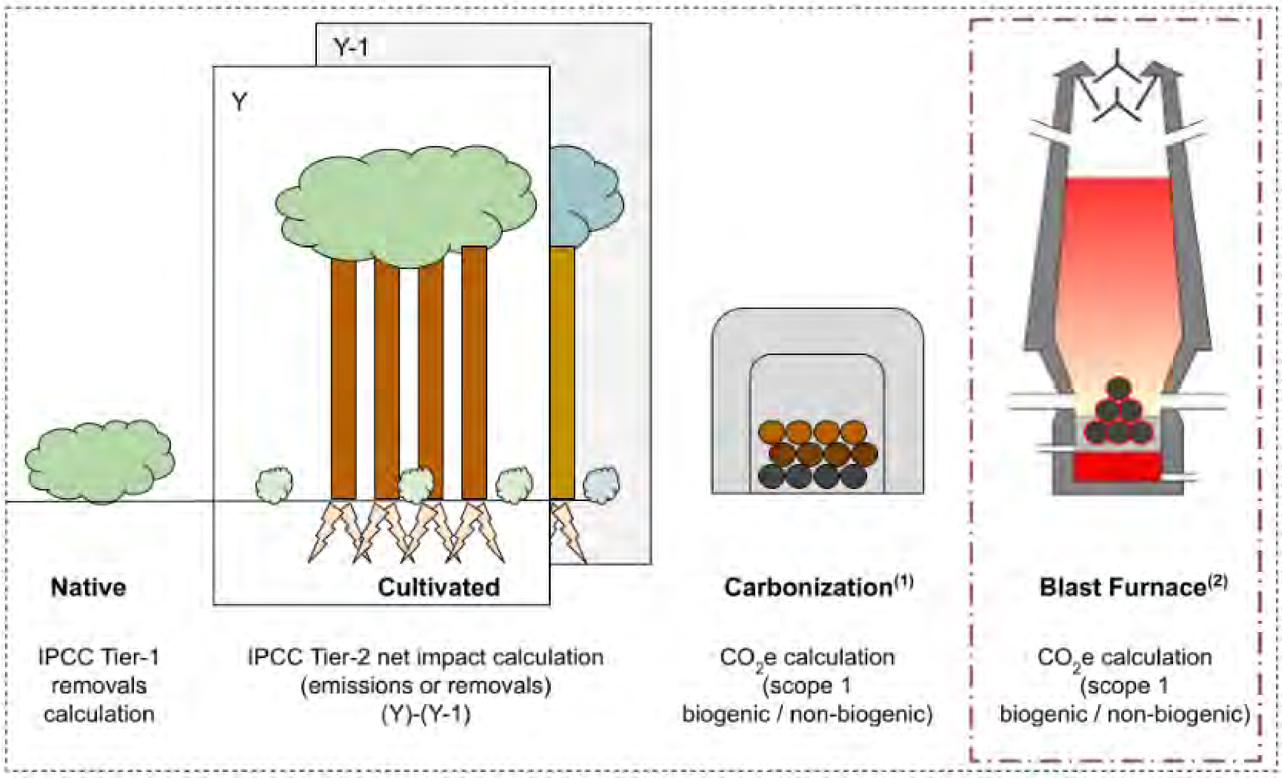
- Production: Output material produced by the process stage (Pig Iron, Coil, etc.).
- Utilities: Industrial gas (DiHydrogen -Grey, Blue, Green-, Argon, Nitrogen, Oxygen etc.), Hot water, Steam.
- Condensed Fuels: Coke (various), Coal, Oil (various), LPG, Consumed Charcoal.
- Gaseous Fuels: Natural gas, Biofuel, BioGas, BF gas.
- Materials: Scrap metals, Ferro-Alloys, Pure metals and other kinds of metals, Other materials (electrodes, refractory, lime, acid).
- Residues: slag, sludge, dust.
- Other GHG-Gas: CO_2e used for fire fighting, Gas used in air-conditioning system.
- Forest: For cultivated and non-cultivated areas.
- CO_2e emitted during the carbonization process and fires in forests.
- CO_2e (CH4) avoided during the carbonization process due to the usage of kilns' gas burners.

For the Scope 1 emissions, we cover the seven greenhouse gases identified by the 2015 update of the Kyoto Protocol and differentiate biogenic/non-biogenic emissions. The emission factors used come from our suppliers and our laboratories. They can also come from EcoInvent, WorldSteel, ADEME, GHG / IPCC, if needed.

According to ISO Norm ISO 14404-1:2013 and ISO 14404-2:2013, the plant manufacturing steel records the quantities of raw materials, intermediate products and energy that are exported to outside users as an offset of CO_2e emission sources, e.g. slag or dust sold.

The total biogenic/non-biogenic emissions are the sum-total of the emissions at each process of each unit.

Schematic 1: methodology



(1) Including operations related to the nursery, forest management, transportation of wood, etc. (biogenic / non-biogenic).
(2) Iron-making phase in Timoteo.

Scope 2
In respect to CO_2e Scope 2 definition, the collected and analysed elements are:
- Purchased electricity from the grid.
- Purchased electricity from Supplier.
- Purchased renewable electricity (solar cell installation, windmill installation, dam).
- Purchased heating.

For the current reporting period, Aperam does not purchase compressed air, steam and cooling.

When the energy provider can supply the information, the CO_2e emissions ratio used is the gCO_2e/kWh, and the emissions are said to be "market based". According to the GHG Protocol, the CO_2 scope 2 ratio of renewable sources (Solar, Windmills) is equal to zero gCO_2e/kWh.
Otherwise, the gCO_2e / kWh for the electricity from the grid ("location based") is established using a 3 (three) years-rolling average for Europe and Brazil (reporting year, year-1, year-2), with the following sources:
- Brasil: Ministério da Ciência, Tecnologia e Inovações / Clima / Fator médio - Inventários corporativos.
- Other countries: Use of the International Energy Agency (IEA).

Aperam mostly uses the IEA database that is purchased every year, to ensure accuracy. However for Brazil and the US Aperam uses country data as an average, as reported in the database for these respective countries to ensure accuracy and consistency.

Remarks and interpretation
We report our CO_2e emissions by reference to the GRI framework, under GRI codes 305-1, 305-2, 305-4 and 305-6.

Starting 2021, we also report "scope 1 biogenic emissions" and "scope 1 non-biogenic emissions", the latter being used for the calculation of the scope 1+2 footprint, together with the "market-based scope 2 emissions".

We also report additional indicators tailored to our reality, in particular the consolidated impact of the year totalling emissions and removals, integrating the yearly removal, as “net emissions (scope 1+2)” (herewith B’’).

Dust emissions

Context

The monitoring of the volumes emitted is organised locally, primarily according to the environmental permits, and this is periodically verified by local authorities. Our measurement protocol is based on the following key principles:

- We follow ducted dust (particulate matters) via opacimeters, placed at the main sources of emissions, usually the chimneys, and chemical components by analysis. The volume of ducted dust emitted is calculated by equipment, using the measures taken in mg/Nm^3 from the opacimeters. Once multiplied by a flow and a duration (operating hours of each equipment), it provides absolute value emissions and also allows a consolidation by process stage, plant, country, and ultimately at group level. Sometimes, the measures can be real time with our own systems, but generally, the assessment is done via sample measurement campaigns subcontracted to external firms at a frequency depending on the environmental permit and on the local criticality of the topic (from multiple times per month to once per year according to the criticality of the dust emissions points). We can also be subject to impromptu audits organised by the legal authorities.

Industrial units use all this data to report to the authorities according to the required periodicity, by chimney and in mg/Nm^3 and g/t.

The data undergoes regular verifications from various auditors, for instance as part of the framework of our ISO 14001 and Sustainability reporting audits.

The diffused dust from industrial buildings is analysed separately and only counted in the Group total emissions when it is reported to the authorities, as it is the case for the Imphy plant (France). This small variation in the total emissions is negligible, diffused emissions being very marginal at Aperam level.

Description of the need

At Aperam level, dust emissions are consolidated using several methodologies to address the various standpoints of our stakeholders:

- ‘Regulatory methodologies’ are used for local disclosures purposes mostly (‘legal view’). They take into account the measures in line with our operating permits obligations. This figure is fully in line with the data reported to the authorities and allows comparison with local manufacturers.
- The ‘exhaustive methodology’ considers all measures taken and is reported as part of our Sustainability reporting, in order to reflect the volume of the dust emitted with the best precision possible. To assess our impact in terms of total air emissions, each measure is considered from the date of the measure until the following measure, whatever the level of performance they reflect (in ‘normal operating conditions’ as per the regulatory demands or at times of dysfunctioning).

For our calculations, where possible, we use the real-time measures of our opacimeters. However, sometimes, the opacimeters are not coupled with real-time flow meters and can only serve for the alerting of operational departments - in which case we rely on the regular measurement campaigns (mg/Nm^3) to compute our total emissions.

Remarks and interpretation

The totals based on the ‘legal’ measures provide a yearly estimate in line with local regulatory requirements). Our own internal exhaustive assessments benefit from a greater set of measures, which, considering the variability of the performance, significantly improve the accuracy of the assessment.

Considering this ‘legal vision’ as less homogeneous in terms of measuring points and less relevant to reflect the reality of our impacts towards our stakeholders, we are reporting on a consolidated level ‘exhaustive assessments' that are taking into account all the reliable measures taken (incl. during breakdown of de-dusting installations) ".

Overall, Timoteo's dust emissions account for 77% of the total emissions of the Group.

Water Intake Measurement Methodology

Water intake is defined as any kind of water pumped out of natural bodies (such as rivers, channels, and underground sources) and rainwater, which is used for industrial or household purposes. Below is the methodology that outlines the procedures for measuring water intake from various sources, following the guidelines of GRI 303: Water and Effluents (2018).

- River Water Intake, Canal Water Intake, Municipal Water (Fresh Water) Intake, and Wastewater Intake: The quantity of water is measured through direct meter index readings at the beginning and end of the reporting period.
- Rainwater Collection: The quantity of water is estimated based on the annual rainfall index and the surface area of the sites excluding vegetation surfaces (i.e. surface that allows water to be absorbed in the ground).
- Water Intake from Phreatic Zone (Unconfined Aquifer): The quantity of water pumped from underground wells is monitored through meter readings at the beginning and end of the reporting period.
- Ground Water Intake (Confined Aquifer): The quantity of water intake is monitored through flowmeters that automatically register daily data in real-time. The flow thus monitored is determined based on the following formula:

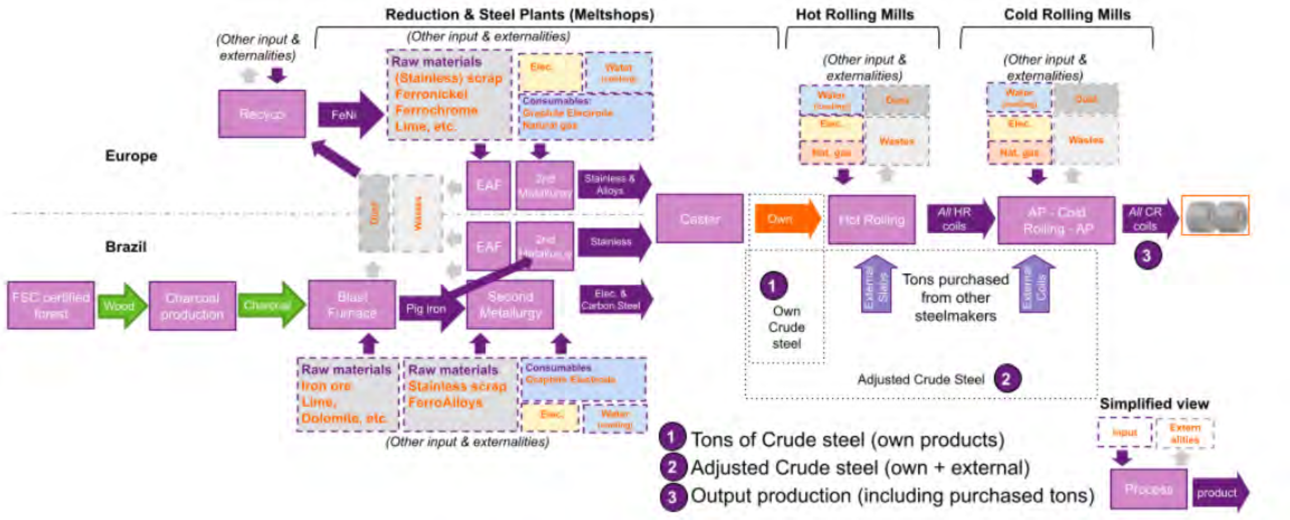
Flow (m^3/second) x uptime (hours) x 3600, where "uptime" is defined as the total operation time (including the time the operation is "on" but no product is processed).

<u>Intensity ratios</u>
Context
The production process of steel is that of a transformation of primary or secondary raw materials into crude steel, then turning it into long (bars, wires) or flat (coils that can be cut into sheets) products. For Aperam, it's mostly coils / sheets. As the crude steel is therefore a common denominator to all processes, whatever the end product is (very thin or ultra-bright stainless coil, pickled coil of carbon steel), it is traditionally used in the industry to calculate all ratios in intensity with the aim to decorrelate the absolute consumptions and emissions from the production level. For instance, the EU taxonomy and the ETS are both indicating thresholds in terms of CO_2e intensity calculated based on "tonnes of crude steel ex-caster", usually abbreviated "tcs" for tonnes of crude steel.

The intensity for energy, CO_2e, water, scrap and dust indicators are determined based on gross tons of crude steel. The gross production includes the front and end tails of our produced slabs exit caster, in opposition to the 'net tons' which are closer to the notion of 'good products' ready for further processing.

The graphic (Schematic 2) below represents the process within Aperam. The company can decide to increase its production by purchasing some semi-finished products from other steel-makers or to process volumes as a hire work service to other plants or even to fellow manufacturers. These volumes will therefore join the flow of the total products passing through our tools and be counted together with the input or externalities used or generated by their processing.

Schematic 2: Integration of Purchased tons into our Industrial framework



Scrap Ratio

Scrap materials are sorted based on their metallurgical content and origin. However, only the origin of the scrap is relevant for calculating the scrap ratio.
Scrap categories:

- Internal scrap: Generated within the steelmaking process.
- Home scrap: Produced and reused on-site within the steel plant.
- External scrap: Sourced externally, including pre-consumer (from manufacturing processes) and post-consumer scrap.

The calculation applies to a defined production scope based on:

– Time period (e.g., yearly basis).

– Steel grade(s) or steel family grade(s).

– Production perimeter (Plant, Business Unit, or Company level).

– Process stage (Melt Shop, covering EAF or liquid pig iron processing up to the Melt Shop output).

The scrap ratio is calculated according to ISO 14021 using the formula:
Total tons of scrap used in the melt shops / Gross tons of crude steel produced

It is important to keep in mind that scrap ratio for Aperam does not include the purchased slabs. In addition the Internal scrap is not taken into account in the calculation according to ISO 14021 guideline.

Description of the need
The consumption and externalities from the production are measured independently from the tons transformed, in absolute values, and can significantly increase or drop, particularly if the products undergo heavy-impact phases of the process. For instance, an external slab will pass through the hot rolling mill step (and downstream), which is part of the total process in terms of energy consumption, and adds its kWh use to the relevant counters.

Unfortunately, as the counter used for the denominator in standard ratios is the ton of crude steel ex-caster produced (slab, for convenience), this external slab cannot be counted with our own slabs - only with the original steelmaker. As a result, when one processes significant volumes of external semi-products, one has an increased nominator and an unchanged denominator, ending up in a distorted ratio. It is particularly inconvenient if the volumes of external semi-products fluctuate over time: the ratios could improve or deteriorate, showing variations that are not reflecting our gains in efficiency and even mislead our own people in quest for constant optimization.

That is why, knowing that we have important variations in the proportion of external products transformed at our plants, we decided in 2021 to design a methodology to redress this anomaly.

Solution: the 'adjusted' methodology implemented in 2021
The concept is simple: adjust the intensity fraction 'fairly' by recognizing all the impacts of the external semi-products "as if" they were our own (that of the same plant), both at the numerator (consumption of energy and water, GHG and dust emissions, etc.) and at the denominator levels (production, here tonnes of crude steel). This allows us to avoid 'false' variations over the years that would be justified only by the proportion of semi-products transformed and not by a change in the efficiency of our processes.

To do this, we must adjust both the numerator and denominator of the fraction, based on our own data of the period - and this is valid for all our main ratios: GHG and Air (dust) emissions, Energy and Water consumption:

- For the numerator (impacts), we already have the impacts generated by the products as they pass on our tools but we miss the impact they would have had, if they had been melted at Aperam's. To do that, we apply the same standard impacts generated by our own tons during the upstream part of the process (i.e.. average CO_2e emissions during the elaboration at the Melt Shop). This means that first we calculate the impacts (absolute, intensity) of our own slabs in terms of water, dust, etc., at the process stage (e.g for instance Melting shop Water Consumption). Then we allocate the same intensity ratio to the external tons. Finally this value is added to actual consumption. This sum reflects the consumption linked to our own production and the external inputs as well.

- For the denominator (production level), we add the purchased products to our own production. If the products are a coil, we have to recalculate the equivalent of tons of crude steel (slabs) that the purchased products represent. For instance, if we had a yield of 98% for our own transformation slabs - to black coil (black coil weight / slab weight = 98%), we inflate (division) the tonnage of the black coils purchased by that factor to obtain a "slab equivalent". Then we add this "equivalent slab purchased" from the purchased back coils to our own tons of crude steel for an "adjusted total production". This figure will then be used as the divider to calculate all "adjusted intensity ratios".

Unless otherwise stated, the intensity ratios of environmental indicators provided in this Report take into account all the external slabs (both the impact in the numerator and the number of slabs in the denominator). Conversely, the absolute figures of environmental indicators only take into account the impact of Aperam, whereby the impact of purchased slabs is not accounted for.

Remarks and interpretation
As a conclusion, with such an approach we are getting closer to a product-specific approach and we erase the visual distortion linked to the fact that not all tons have passed through all the steps of the steelmaking process. We also make the comparisons between tools (as we do internally) and amongst steelmakers (as is done externally) more relevant.

Limited Assurance Conclusion

To the Board of Directors of
Aperam S.A.
24-26, Boulevard d'Avranches
L-1160 Luxembourg

Independent Practitioner's Limited Assurance Report on Aperam S.A. 's Selected Information

Limited assurance conclusion

We have conducted a limited assurance engagement on a selection of key performance indicators disclosed in the Sustainability Information 2024 section of the Annual Report of Aperam S.A. (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2024, as set out in the table of the Exhibit 1 (the "Selected Information").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not prepared, in all material respects, in accordance with the methodologies defined by the Group and explained in the methodological notes of the Sustainability Information 2024 section (the "Assessment Criteria") for the year ended 31 December 2024.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE 3000 (Revised)), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB), as adopted for Luxembourg by the Institut des Réviseurs d'Entreprises (IRE).

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Responsibility of the "Réviseur d'entreprises agréé" section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, as adopted for Luxembourg by the CSSF, which requires the firm to design, implement and operate a system of quality management including policies

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R.C.S. Luxembourg B 65 477 - TVA LU25482518

or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors

The Board of Directors of the Company is responsible for:

- developing appropriate Assessment Criteria against which to assess the Selected Information and applying these consistently;
- ensuring that those Assessment Criteria are relevant and appropriate to the Group and the intended users of the Selected Information;
- making available Assessment Criteria to intended users to allow them to understand how underlying Selected Information have been measured or evaluated;
- designing, implementing and maintaining such internal control as the Board of Directors determines is necessary to enable the preparation of the Selected Information, in accordance with the Assessment Criteria, that is free from material misstatement, whether due to fraud or error;
- selecting and applying appropriate sustainability reporting methods, and making assumptions and estimates that are reasonable in the circumstances;
- the preparation of the Selected Information in accordance with the Assessment Criteria; and
- retention of sufficient, appropriate records to support the reported data and assertions included in the Selected Information.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Qualitative interpretations of relevance, materiality, the accuracy of data and estimates of margins of uncertainty on data are subject to individual assumptions and judgements.

Responsibility of the “Réviseur d’entreprises agréé”

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Selected Information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- determine the suitability in the circumstances of the Group’s use of Assessment Criteria as the basis for the preparation of the Selected Information;

- perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group’s internal control;

- design and perform procedures responsive to where material misstatements are likely to arise in the Selected Information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Selected Information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Selected Information, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- obtained an understanding of the Selected Information and related disclosures, including the Group's reporting processes relevant to the preparation of the Selected Information;
- obtained an understanding of the Assessment Criteria and their suitability for the evaluation and/or measurement of the Selected Information;
- evaluated whether all information identified by the process to identify the information reported in the Selected Information is included in the Selected Information;
- based on that understanding, assessed the risks that the Selected Information may be materially misstated and determination of the nature, timing and extent of further procedures;
- performed inquiries of relevant Group's personnel on Selected Information;
- performed analytical procedures related to the Selected Information;
- evaluated the methods, assumptions and data for developing the estimates made by management in the preparation of the Selected Information;
- performed substantive assurance procedures on a selective basis of evidence supporting the reported Selected Information and assessed the related disclosures; and
- reviewed the presentation of the selected information and related disclosures included the Sustainability Information 2024 section of the Annual Report of the Group.

Other Matter

Our limited assurance engagement is related only to the selected information for the year ended 31 December 2024 and we have not performed any procedures with respect to earlier periods or any other elements included in the “Sustainability Information 2024” section of the Annual Report of the Group and, therefore, do not express any conclusion thereon.

Restriction on distribution and use

This report, including the opinion, has been prepared for and only for the Board of Directors in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 1 April 2025

Olivier Mennel

Exhibit 1 - Table of the “Selected Information” for the year ended 31 December 2024

Key Performance Indicators	Key Performance Indicator disaggregation	Units
Total Recordable Incident Rate (TRIR)	Total employees and contractors	Number of incidents per million hours worked
	Employees	
	Contractors	
Lost Time Injury Frequency Rate (LTIFR)	Total employees and contractors	Lost-time incidents per million hours worked
	Employees	
	Contractors	
Severity Rate	Total employees and contractors	Lost days per thousand hours worked
Energy: Elec + Nat. Gas + LPG	n/a	GJ/tcs
Energy: All	n/a	GJ/tcs
CO2 Sequestration	n/a	ktCO2e
Dust emissions (exhaustive)	n/a	Ton
Dust emissions intensity	n/a	g/tcs
Water intake	n/a	million m3
Water intake intensity	n/a	m3/tcs
Scope 1 - Non-Biogenic (absolute value)	n/a	ktCO2e
Scope 1 - Biogenic (absolute value)	n/a	ktCO2e
Scope 2 (absolute value) location based	n/a	ktCO2e
Scope 2 (absolute value) market based	n/a	ktCO2e
Scope 1+2 gross intensity (own tcs*)	n/a	tCO2e/tcs
Scope 1+2 gross intensity (all tcs*)	n/a	tCO2e/tcs
Scope 1+2 net intensity (own tcs*)	n/a	tCO2e/tcs
Scope 1+2 net intensity (all tcs*)	n/a	tCO2e/tcs
Metallic scrap ratio	n/a	%

* *tcs = Gross tons of crude steel.*

Financial Statements 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

Consolidated financial statements as of and for the year ending December 31, 2024

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

This version of the consolidated financial statements has been prepared based on the ESEF version, which is the only authoritative one.

Responsibility statement

We confirm to the best of our knowledge that:

1. the consolidated financial statements of Aperam presented in this Annual Report and established in conformity with International Financial Reporting Standards 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; and

2. the annual accounts of Aperam presented in this Annual Report and established in conformity with the Luxembourg legal and regulatory requirements relating to the preparation of annual accounts give a true and fair view of the assets, liabilities, financial position and results of the Company; and

3. the management report presented in this Annual 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
29 March 2025

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

Chief Executive Officer
Timoteo Di Maulo

Chief Financial Officer
Sudhakar Sivaji

Aperam

Consolidated Statement of Operations

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

	Year ending December 31,	
	2024	**2023**
Sales (Note 3) (including 115 and 83 of sales to related parties in 2024 and 2023, respectively (Note 25))	6,255	6,592
Cost of sales (Note 4) (including amortisation, depreciation and impairment of 229 and 204 (Note 3), and purchases from related parties of 357 and 399 (Note 25) for 2024 and 2023, respectively)	(5,806)	(6,213)
Gross margin	**449**	**379**
Selling, general and administrative expenses (Note 5)	(320)	(290)
Operating income (Note 3)	**129**	**89**
Loss from associates, joint ventures and other investments	(1)	(2)
Financing (costs) / income, net (Note 6)	(50)	30
Income before taxes	**78**	**117**
Income tax benefit (Note 7)	154	87
Net income (including non-controlling interests)	**232**	**204**
Net income attributable to Equity holders of the parent	231	203
Net income attributable to Non-controlling interests	1	1
Net income (including non-controlling interests)	**232**	**204**
Earnings per common share (in Euros): (Note 22)		
Basic	3.20	2.81
Diluted	3.17	2.79
Weighted average common shares outstanding (in thousands) (Note 22):		
Basic	72,270	72,222
Diluted	72,808	72,776

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

Aperam

Consolidated Statement of Comprehensive Income / (Loss)

(in millions of Euros)

	Year ending December 31,	
	2024	**2023**
Net income (including non-controlling interests)	**232**	**204**
Items that cannot be reclassified to the consolidated statement of operations:		
Remeasurement of defined benefit obligation during the period, net of tax (expense) / benefit of (2) and 2 for 2024 and 2023, respectively (Note 21)	(3)	(9)
Investments in equity instruments at FVOCI:		
Gain arising during the year, net of tax expense of 0 for 2024 and 2023, respectively	—	1
Items that can be reclassified to the consolidated statement of operations:		
Cash flow hedges (Note 24):		
Loss arising during the year, net of tax benefit of 0 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 (4) and 4 for 2024 and 2023, respectively	10	(13)
Total cash flow hedges	**2**	**(22)**
Exchange differences arising on translation of foreign operations, net of tax benefit / (expense) of 8 and (1) for 2024 and 2023, respectively	(183)	7
Total other comprehensive loss	**(184)**	**(23)**
Total other comprehensive loss attributable to:		
Equity holders of the parent	(184)	(24)
Non-controlling interests	—	1
Total other comprehensive loss	**(184)**	**(23)**
Net comprehensive income	**48**	**181**
Net comprehensive income attributable to:		
Equity holders of the parent	47	179
Non-controlling interests	1	2
Net comprehensive income	**48**	**181**

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

Aperam

Consolidated Statement of Financial Position

(in millions of Euros)

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents (Note 8)	216	443
Restricted cash	—	3
Trade accounts receivable (Note 9)	342	429
Inventories (Note 10)	2,159	2,281
Prepaid expenses and other current assets (Note 11)	107	111
Derivative financial current assets (Note 24)	32	23
Income tax receivable	18	9
Total current assets	**2,874**	**3,299**
Non-current assets:		
Goodwill and intangible assets (Note 12)	427	452
Biological assets (Note 13)	94	108
Property, plant and equipment (Note 14)	1,957	2,003
Investments in associates, joint ventures and other (Note 15)	4	8
Deferred tax assets (Note 7)	351	213
Derivative financial non-current assets (Note 24)	—	2
Income tax receivable	27	38
Other non-current assets (Note 16)	106	91
Total non-current assets	**2,966**	**2,915**
Total assets	**5,840**	**6,214**

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

Aperam

Consolidated Statement of Financial Position

(in millions of Euros, except share data)

	December 31, 2024	December 31, 2023
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt including current portion of long-term debt (Note 17)	244	360
Trade and other accounts payable (Note 18)	1,002	1,130
Short-term provisions (Note 19)	41	24
Accrued expenses and other liabilities (Note 20)	339	292
Derivative financial current liabilities (Note 24)	29	29
Income tax liabilities	10	16
Total current liabilities	**1,665**	**1,851**
Non-current liabilities:		
Long-term debt, net of current portion (Note 17)	516	574
Deferred tax liabilities (Note 7)	80	115
Employee benefits (Note 21)	147	153
Long-term provisions (Note 19)	55	55
Derivative financial non-current liabilities (Note 24)	3	2
Other long-term obligations	8	14
Total non-current liabilities	**809**	**913**
Total liabilities	**2,474**	**2,764**
Equity:		
Common shares (no par value, 82,957,953 and 87,810,071 shares authorised, 73,184,570 and 78,036,688 shares issued and 72,289,307 and 72,249,207 shares outstanding as of December 31, 2024 and December 31, 2023, respectively) (Note 22)	383	409
Treasury shares (895,263 and 5,787,481 common shares as of December 31, 2024 and December 31, 2023, respectively) (Note 22)	(30)	(194)
Share premium	870	1,005
Retained earnings	2,914	2,821
Other comprehensive loss	(783)	(599)
Equity attributable to the equity holders of the parent	**3,354**	**3,442**
Non-controlling interests	12	8
Total equity	**3,366**	**3,450**
Total liabilities and equity	**5,840**	**6,214**

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

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

						Other Comprehensive Income / (Loss)						
	Shares[(1)]	Share capital	Treasury shares	Share premium	Retained earnings	Foreign currency translation adjustments	Unrealised gains / (losses) on derivatives financial instruments	Unrealised gains on equity instruments at Fair Value through OCI	Recognised actuarial gains / (losses)	Equity attributable to the equity holders of the parent	Non-controlling interests	Total Equity
Balance at January 1, 2023	**72,184**	**419**	**(296)**	**1,095**	**2,742**	**(618)**	**19**	**—**	**24**	**3,385**	**7**	**3,392**
Net income	—	—	—	—	203	—	—	—	—	203	1	204
Other comprehensive income / (loss)	—	—	—	—	—	6	(22)	1	(9)	(24)	1	(23)
Total comprehensive income / (loss)	—	—	—	—	203	6	(22)	1	(9)	179	2	181
Recognition of share based payments (Note 22)	65	—	2	—	1	—	—	—	—	3	—	3
Cancellation of shares (Note 22)	—	(10)	100	(90)	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	(144)	—	—	—	—	(144)	(1)	(145)
Other movements	—	—	—	—	19	—	—	—	—	19	—	19
Balance at December 31, 2023	**72,249**	**409**	**(194)**	**1,005**	**2,821**	**(612)**	**(3)**	**1**	**15**	**3,442**	**8**	**3,450**
Balance at January 1, 2024	**72,249**	**409**	**(194)**	**1,005**	**2,821**	**(612)**	**(3)**	**1**	**15**	**3,442**	**8**	**3,450**
Net income	—	—	—	—	231	—	—	—	—	231	1	232
Other comprehensive income / (loss)	—	—	—	—	—	(183)	2	—	(3)	(184)	—	(184)
Total comprehensive income / (loss)	—	—	—	—	231	(183)	2	—	(3)	47	1	48
Recognition of share based payments (Note 22)	40	—	3	—	1	—	—	—	—	4	—	4
Cancellation of shares (Note 22)	—	(26)	161	(135)	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	(144)	—	—	—	—	(144)	(1)	(145)
Other movements	—	—	—	—	5	—	—	—	—	5	4	9
Balance at December 31, 2024	**72,289**	**383**	**(30)**	**870**	**2,914**	**(795)**	**(1)**	**1**	**12**	**3,354**	**12**	**3,366**

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

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

Aperam

Consolidated Statement of Cash Flows

(in millions of Euros)

	Year ending December 31,	
	2024	**2023**
Operating activities:		
Net income (including non-controlling interests)	232	204
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation, amortisation and impairment (Note 3)	229	204
Net interest expense (Note 6)	28	5
Income tax benefit (Note 7)	(154)	(87)
Net write-downs of inventories to net realisable value (Note 10)	24	91
Labour agreements and separation plans	12	2
Change in fair value of biological assets (Note 13)	(41)	(49)
Unrealised gains on derivative instruments (Note 6)	(2)	(70)
Other	(49)	(9)
Changes in assets and liabilities that provided (required) cash:		
Trade accounts receivable	75	16
Trade accounts payable	(113)	(60)
Inventories	81	292
VAT and other amounts paid to authorities	(25)	(18)
Other movements on accruals and provisions	25	(11)
Interest paid	(45)	(43)
Interest received	19	38
Income taxes paid	(16)	(34)
Net cash provided by operating activities	**280**	**471**
Investing activities:		
Acquisition of property, plant and equipment and intangible assets (CAPEX) (Note 3)	(152)	(250)
Acquisition of biological assets	(14)	(51)
Other investing activities, (net)	11	(2)
Net cash used in investing activities	**(155)**	**(303)**
Financing activities:		
Proceeds from short-term debt (Note 17)	11	157
Payments of short-term debt (Note 17)	(184)	(125)
Payments of long-term debt (Note 17)	—	(24)
Proceeds from long-term debt, net of debt issuance costs (Note 17)	1	—
Dividends paid (Note 22)	(145)	(145)
Repayment of principal portion of lease liabilities (Note 17)	(19)	(15)
Net cash used in financing activities	**(336)**	**(152)**
Effect of exchange rate changes on cash	(16)	(30)
Net decrease in cash and cash equivalents	(227)	(14)
Cash and cash equivalents (Note 8):		
At the beginning of the year	443	457
At the end of the year	216	443

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

SUMMARY OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 2: Summary of material accounting policies, critical accounting judgements and change in accounting estimates

Note 3: Segment and geographic information

Note 4: Cost of sales

Note 5: Selling, general and administrative expenses

Note 6: Financing income / (costs) - net

Note 7: Income tax

Note 8: Cash and cash equivalents

Note 9: Trade accounts receivable

Note 10: Inventories

Note 11: Prepaid expenses and other current assets

Note 12: Goodwill and intangible assets

Note 13: Biological assets

Note 14: Property, plant and equipment

Note 15: Investments in associates, joint ventures and other

Note 16: Other non current assets

Note 17: Short-term and long-term debt

Note 18: Trade and other accounts payable

Note 19: Provisions

Note 20: Accrued expenses and other liabilities

Note 21: Employee benefits

Note 22: Equity

Note 23: Leases

Note 24: Financial instruments

Note 25: Balances and transactions with related parties

Note 26: Commitments

Note 27: Contingencies

Note 28: Employees and key management personnel

Note 29: List of significant subsidiaries as of December 31, 2024

Note 30: Independent auditor fees

Note 31: 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 consolidated financial statements (the "Financial Statements") as the "Company" or "the Group". Aperam *Société Anonyme* is the ultimate parent company of the Group. The Company has its registered office at 24-26, Boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Register of Commerce and Companies under the number B155.908. The Company's shares have been traded on the European stock exchanges of Amsterdam, Paris (Euronext) and Luxembourg since January 31, 2011, and Brussels (Euronext) since February 16, 2017.

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

Note 29 provides an overview of the Company's principal operating subsidiaries.

Basis of presentation

The consolidated financial statements (or the "financial statements") of Aperam and its subsidiaries for the year ended 31 December 2024 have been prepared on a historical cost basis, except for equity instruments at fair value through other comprehensive income, derivative financial instruments and biological assets which are measured at fair value and the financial statements of the Company's subsidiary in Argentina ("Aperam Stainless Services & Solutions Argentina S.A."), for which hyperinflationary accounting is applied (see Note 2 below).

The consolidated financial statements as of and for the year ended 31 December 2024 ("financial statements") have been prepared in accordance with IFRS accounting standards ("IFRS") as adopted in the European Union ("EU"). They are presented in Euros with all amounts rounded to the nearest million, except for share and per share data.

These consolidated financial statements were authorised for issuance on 29 March, 2025 by Aperam's Board of Directors.

Adoption of new IFRS Standards, amendments and Interpretations applicable in 2024

The Group applied for the first-time certain amendments, which are effective for annual periods beginning on or after January 1, 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants (Amendments to IAS 1): these amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16): The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains.

- Supplier finance arrangements (Amendments to IAS 7 and IFRS 7) IAS 7 has been amended to improve disclosures about accounting policies to provide more useful information to investors and other primary users of the consolidated financial statements to assess the effects on an entity's liabilities, cash flows and exposure to liquidity risk. As a result of the adoption of the amendments to IAS 7 and IFRS 7, the Group provided new disclosures for liabilities under supplier finance arrangements as well as the associated cash flows in Note 24. The other amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New IFRS standards and interpretations applicable from 2025 onwards

There are new standards, amendments and interpretations which will be mandatorily applicable in the coming years and have not been applied early.

The standards, interpretations and amendments applicable as from January 1, 2025 which have not been early adopted by the Group and which could have an impact, are as follows:

- Amendments to IFRS 10 and IAS 28: these amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associates and joint ventures. The amendments only apply when an investor sells or contributes assets to its associate or joint venture. The Group does not expect the application of this standard to have any impact as the investments in associates are insignificant and no such contributions have been made to date. Originally, these amendments to IFRS 10 and IAS 28 were prospective and effective for annual periods beginning on or after January 1, 2016. However, at the close of 2015, the IASB took the decision to postpone the effective date of these without setting a new specific date, as it is planning a broader review that may result in simplifying the accounting for such transactions and other aspects of accounting for associates and joint ventures. The Group does not expect any impact to arise from the application of these amendments.

- Amendments to IAS 21: Lack of exchangeability: In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. Effective for annual periods beginning on or after 1 January 2025. The Group does not expect these amendments to have a material impact on its operations or financial statements.

- Amendments to IFRS 9 and IFRS 7, amendments to the Classification and Measurement of Financial Instruments: On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice: clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). It will be effective for annual periods beginning on or after 1 January 2026. The Group will apply the standard once it becomes mandatory. The Group does not expect these amendments to have a material impact on its operations or financial statements.

– IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027), allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Group does not expect this standard to have an impact on its operations or financial statements.

– IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Group's financial statements. The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

Basis of consolidation

The consolidated financial statements include the accounts of the Company, its subsidiaries, and its respective interest in associated companies. Subsidiaries are consolidated from the date the Company obtains control until the date control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

– Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

– Exposure, or rights, to variable returns from its involvement with the investee

– The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

– The contractual arrangement(s) with the other vote holders of the investee

– Rights arising from other contractual arrangements

– The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Associated companies are those companies over which the Company has the ability to exercise significant influence on the financial and operating policy decisions, which it does not control. Generally, significant influence is presumed to exist when the Company holds more than 20% of the voting rights. In addition, joint ventures are arrangements where the Company has joint control under a contractual agreement and has the right to the net assets of the arrangement. The consolidated financial statements include the Company's share of the total recognised gains and losses of associates and joint ventures on an equity accounted basis from the date that significant influence commences until the date significant influence ceases, adjusted for any impairment loss. Adjustments to the carrying amount may also be necessary for changes in the Company's proportionate interest in the investee arising from changes in the investee's equity that have not been recognised in the investee's profit or loss. The Company's share of those changes is recognised directly in equity.

Investments in other entities, over which the Company and/ or its operating subsidiaries do not have the ability to exercise significant influence, are accounted for as investments in equity instruments at Fair Value through OCI (FVOCI) with any resulting gain or loss, net of related tax effect, recognised in the consolidated statements of other comprehensive income. Realised gains and losses from the sale of investments in equity instruments at FVOCI are reclassified from other comprehensive income to retained earnings within equity upon disposal.

While there are certain limitations on the Company's operating and financial flexibility arising from the restrictive and financial covenants of the Company's principal credit facilities described in Note 17, there are no significant restrictions resulting from borrowing agreements or regulatory requirements on the ability of consolidated subsidiaries, associates and jointly controlled entities to transfer funds to the parent in the form of cash dividends to pay commitments as they come due.

Intra-company balances and transactions, including income, expenses and dividends, are eliminated in the preparation of the consolidated financial statements.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company and are presented separately in the consolidated statement of operations and within equity in the consolidated statement of financial position.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGEMENTS AND CHANGE IN ACCOUNTING ESTIMATES

Material accounting policies

Translation of financial statements denominated in foreign currency

The functional currency of each of the major operating subsidiaries is the local currency. Transactions in currencies other than the functional currency of a subsidiary are recorded at the rates of exchange prevailing at the date of the transaction.

Monetary assets and liabilities in currencies other than the functional currency are remeasured at the rates of exchange prevailing at the statement of financial position date and the related transaction gains and losses are reported in the consolidated statement of operations. Non-monetary items that are carried at cost are translated using the rate of exchange prevailing at the date of the transaction. Non-monetary items that are carried at fair value are translated using the exchange rate prevailing when the fair value was determined and the related transaction gains and losses are reported in the consolidated statement of comprehensive income/ loss.

Upon consolidation, the results of operations of the Company's subsidiaries and associates whose functional currency is other than the Euro are translated into the Euro the Company's presentation currency, at the monthly average exchange rates and assets and liabilities are translated at the year-end exchange rates. Translation adjustments are recognised directly in other comprehensive income and are reclassified in income or loss in the statement of operations only upon sale or liquidation of the underlying foreign subsidiary or associate.

Exchange differences arising from the translation of the net investment in foreign subsidiaries at the year-end exchange rate are recorded as part of the shareholders' equity under "Foreign currency translation adjustments". When a foreign entity is disposed, such exchange differences are recognised in the consolidated statement of operations as part of the gain or loss on disposal.

Argentina is considered a hyperinflationary economy and therefore the financial statements of Aperam Stainless Services & Solutions Argentina are adjusted to reflect the changes in the general purchasing power of the local currency before being translated into Euros. The Company used estimated general price indices (Consumer Price Index "CPI") of 7,693.7% and 3,533.2%, respectively, for the years ending December 31, 2024 and December 31, 2023 for this purpose. As a result of the inflation-related adjustments on monetary items, a gain of €2.8 million and a loss of €(5.8) million were recognised in net financing costs for the year ending December 31, 2024 and December 31, 2023. The government in Argentina imposed significant restrictions on foreign exchange transactions, including but not limited to the mandatory sale of the foreign currency proceeds from export operations, access to the foreign exchange market for payment of the import of services and for the payment of dividend requires approval of Argentinian Central Bank.

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and are carried at cost plus accrued interest, which approximates fair value.

Trade accounts receivable

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance at an amount that it considers to be a sufficient estimate of losses resulting from the inability of its customers to make required payments. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the average cost method. Costs of production in process and finished goods include the purchase costs of raw materials and conversion costs such as direct labour and an allocation of fixed and variable production overheads. Raw materials and spare parts are valued at cost inclusive of freight and shipping and handling costs. Net realisable value is the expected selling price of those goods less costs to sell. In the case of work in progress, the estimated costs of completion are also deducted from this price. Costs incurred when production levels are abnormally low are partially capitalised as inventories and partially recorded as a component of cost of sales in the consolidated statement of operations. Write-down to net realisable value and movements in the allowances for obsolescence and slow-moving inventories are recognised in cost of sales in the consolidated statement of operations.

Business combination

The Group applies the acquisition method for business combinations.

The acquisition date is that on which the Group obtains control of the acquiree. The Group considers that control is obtained when the investor, due to its involvement with the acquiree, is exposed, or has rights, to variable returns and has the ability to affect those returns through its power over the investee. In an acquisition, the Group is generally deemed to have obtained control when the consideration is legally transferred and the assets and liabilities of the acquiree are acquired and assumed, respectively. However, control may be obtained at a prior date if, by means of a written agreement, a prior date of obtainment of control is envisaged. The Group considers all pertinent facts and circumstances in order to identify the acquisition date.

The consideration transferred in a business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity interests issued and any contingent consideration that is contingent on future events or the fulfilment of certain conditions in exchange for control of the acquiree.

The consideration transferred excludes any amounts that are not part of the exchange for the acquiree. The costs associated with an acquisition are recognised as expenses on an accrual basis.

The Group recognises at their acquisition-date fair value the assets acquired and the liabilities assumed (and any non-controlling interest in the acquiree). The liabilities assumed include contingent liabilities to the extent that they represent present obligations that arise from past events and their fair value can be measured reliably. Also, the Group recognises indemnification assets granted by the seller at the same time that it recognises the indemnified item and following the same measurement criteria as those used for the indemnified item, considering, where applicable, the risk of default and any contractual limitation on the indemnified amount.

Exempt from application of this criterion are non-current assets and disposal groups classified as held for sale, long-term defined benefit obligation liabilities, share-based payment transactions, deferred tax assets and liabilities and intangible assets arising from the acquisition of previously granted rights.

The assets acquired and liabilities assumed are classified and designated for subsequent measurement on the basis of the contractual terms, economic conditions, operating and accounting policies and other pertinent conditions existing at the acquisition date, except in the case of leases in which the business acquired is the lessor and insurance contracts.

The acquirer's application of the recognition principle and conditions may result in recognising some assets and liabilities that the acquiree had not previously recognised as assets and liabilities in its financial statements.

Any excess of the consideration transferred plus the value assigned to the non-controlling interests over the net amount of the assets acquired and the liabilities assumed is recognised as goodwill.

If the business combination can only be provisionally calculated, the identifiable net assets are initially recognised at their provisional amounts, recognising the valuation adjustments made in the measurement period as if they had been known at the acquisition date and restating, where applicable, the comparative figures for the previous year. In any event, adjustments to provisional amounts only reflect information on facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognised at that date.

After the measurement period ends, the initial accounting for a business combination is revised only to correct an error.

Until they are settled, cancelled or expire, contingent liabilities are measured at the higher of the amount initially recognised less the amounts that should be recognised in profit or loss in accordance with the standard on recognition of revenue from customers and the amount that would be recognised in accordance with the standard on measuring provisions.

The consideration transferred in a business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity interests issued and any contingent consideration that depends on future events or the fulfilment of certain conditions in exchange for control of the acquiree.

Goodwill

The goodwill recorded by the Company includes an allocation of the goodwill arising from the acquisition of Arcelor by Mittal Steel on August 1, 2006. Goodwill arising on acquisitions subsequent to January 1, 2007, is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. After initial recognition, goodwill shall be carried at its cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

In a business combination in which the fair value of the identifiable net assets acquired exceeds the cost of the acquired business, the Company reassesses the fair value of the assets acquired. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess (bargain purchase gain) is recognised immediately in the consolidated statement of operations.

Intangible assets

Intangible assets recorded by the Company include customer relationships, trademarks and technology acquired through business combinations that are recorded at fair value, and are amortised on a straight-line basis over their estimated economic useful lives which typically are not to exceed ten years.

Concessions, patents and licenses are recognised only when it is probable that the expected future economic benefits attributable to the assets will flow to the Company and the cost can be reliably measured. They are recorded at cost and are amortised on a straight-line basis over their estimated economic useful lives which typically are not to exceed five years.

Biological assets

The Company classifies eucalyptus plantations (except for the roots of the plantation which are qualified as bearer plants, see below) as biological assets. The purpose of such plantations is to produce charcoal to be used in the production process.

Biological assets are measured at fair value, net of estimated costs to sell at the time of harvest, with any change therein recognised in the consolidated statement of operations.

The fair value is determined based on the discounted cash flow method, taking into consideration the cubic volume of wood, segregated by plantation year, and the equivalent sales value of standing trees. The average market price was estimated based on domestic market prices.

Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment. Cost includes professional fees and, for assets constructed by the Company, any related works to the extent that these are directly attributable to the acquisition or construction of the asset. Property, plant and equipment except land are depreciated using the straight-line method over the useful lives of the related assets which are presented in the table below. The Company reviews the residual value, the useful lives and the depreciation method of its property, plant and equipment at least annually.

Asset Category	Useful Life Range
Land	Not depreciated
Buildings	10 to 50 years
Steel plant equipment	15 to 30 years
Auxiliary facilities	15 to 30 years
Other facilities and equipment	3 to 20 years
Bearer plants	21 years

Major improvements, which add to productive capacity or extend the life of an asset, are capitalised, while repairs and maintenance are charged to expense as incurred. Where a tangible fixed asset comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment under construction are recorded as construction in progress until they are ready for their intended use; thereafter they are transferred to the related category of property, plant and equipment and depreciated over their estimated useful lives. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. Gains and losses on retirement or disposal of assets are reflected in the consolidated statement of operations.

The residual values and useful lives of property, plant and equipment are reviewed at each reporting date and adjusted if expectations differ from previous estimates. Depreciation methods applied to property, plant and equipment are reviewed at each reporting date and changed if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Impairment of Property Plant & Equipment and Intangible Assets

Goodwill

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment (as of October 31), or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the Group's CGU carrying amount exceeds its recoverable amount. The recoverable amount of the GCGU is determined as the higher of its fair value less costs of disposal and its value in use. The value in use calculations is based on discounted cash flow model. Cash flow forecasts are derived from the most recent financial budget approved by the Board of Directors and forecast is prepared for at least next 5 years. Beyond the specifically forecasted period, the Company extrapolates cash flows for the remaining years based on an estimated terminal growth rate. This rate does not exceed the average long-term growth rate for the relevant markets. Once recognized, impairment losses for goodwill are not reversed. On disposal of a subsidiary, any residual amount of goodwill is included in the determination of the profit or loss on disposal.

Whenever the cash generating units comprising the operating segments are tested for impairment at the same time as goodwill, the cash generating units are tested first and any impairment of the assets is recorded prior to the testing of goodwill.

The key assumptions for the value in use calculations are disclosed in "Critical accounting judgments section".

Aperam gives regard to climate change and other sustainability risks when determining the recoverable amount of each CGU. The Group has climate change action plans, greenhouse gas emission reduction targets for its production sites, environmental management and other sustainability initiatives. The Company reports these in its annual Sustainability Report (available on the Company's web site). The Group assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These key assumptions have been included in the cash-flow forecasts in assessing value in use amounts.

Property Plant & Equipment and Intangible Assets (excluding goodwill)

At each reporting date, the Company reviews whether there is any indication that the carrying amounts of its property plant & equipment and intangible assets (excluding goodwill) may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the amount of the impairment, if any. The recoverable amount is the higher of its fair value less cost of disposal and its value in use.

In assessing its value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash generating unit to which the asset belongs. The cash generating unit is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, an impairment loss is recognised. An impairment loss is recognised as an expense immediately as part of operating income in the consolidated statement of operations.

In the case of permanently idled assets, the impairment is measured at the individual asset level on the basis of salvage value. Otherwise, it is not possible to estimate the recoverable amount of the individual asset because the cash flows are not independent from that of the cash generating unit to which it belongs.

Accordingly, the Company's assets are measured for impairment at the cash generating unit level. In certain instances, the cash generating unit is an integrated manufacturing facility which may also be an operating subsidiary. Furthermore, a manufacturing facility may be operated together with another facility with neither facility generating cash flows that are largely independent from the cash flows of the other. In this instance, the two facilities are combined for purposes of testing for impairment. As of December 31, 2023 and 2022, the Company had determined it has nine cash generating units.

An impairment loss recognised in prior years is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. However, the increased carrying amount of an asset due to a reversal of an impairment loss will not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately as part of operating income in the consolidated statement of operations.

Investment in associates and other entities

Investments in associates, in which the Company has the ability to exercise significant influence, are accounted for under the equity method.

The investment is carried at the cost at the date of acquisition, adjusted for the Company's share in undistributed earnings or losses since acquisition, less dividends received and impairment.

Any excess of the cost of the acquisition over the Company's share of the net fair value of the identifiable assets, liabilities, and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included in the carrying amount of the investment and is evaluated for impairment as part of the investment.

The Company reviews all of its investments in associates at each reporting date to determine whether there is an indicator that the investment may be impaired.

If objective evidence indicates that the investment is impaired, the Company calculates the amount of the impairment of the investments as being the difference between the higher of the fair value less costs of disposal or its value in use and its carrying value. The amount of any impairment is included in the overall result from associates and joint ventures in the consolidated statement of operations.

Regarding investments in other entities, upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under *IAS 32 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as result from associates, joint ventures and other investments in the consolidated statement of operations when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Employee benefits

Defined contribution plans are those plans where the Company pays fixed contributions to an external life insurance or pension fund for certain categories of employees. Contributions are paid in return for services rendered by the employees during the period. They are expensed as they are incurred in line with the treatment of wages and salaries. No provisions are established in respect of defined contribution plans, as they do not generate future commitments for the Company.

Defined benefit plans are those plans that provide guaranteed benefits to certain categories of employees, either by way of contractual obligations or through a collective agreement. For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each statement of financial position date.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Current service cost, which is the increase of the present value of the defined benefit obligation resulting from the employee service in the current period, is recorded as an expense as part of cost of sales and selling, general and administrative expenses in the consolidated statement of operations.

The net interest cost, which is the change during the period in the net defined benefit liability or asset that arises from the passage of time, is recognised as part of net financing costs in the consolidated statements of operations. The discount rate used is determined by reference to market yields at the end of the reporting period based on high quality corporate bonds.

The Company recognises gains and losses on the curtailment of a defined benefit plan when the curtailment occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, any related actuarial gains and losses. Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or a curtailment. Past service cost is recognised immediately in the consolidated statement of operations in the period in which it arises.

Voluntary retirement plans primarily correspond to the practical implementation of social plans or are linked to collective agreements signed with certain categories of employees. Early retirement plans are those plans that primarily correspond to terminating an employee’s contract before the normal retirement date. Early retirement plans are considered effective when the affected employees have formally been informed and when liabilities have been determined using an appropriate actuarial calculation.

Liabilities relating to the early retirement plans are calculated annually on the basis of the effective number of employees likely to take early retirement and are discounted using an interest rate which corresponds to that of highly rated bonds that have maturity dates similar to the terms of the Company’s early retirement obligations. Termination benefits are provided in connection with voluntary separation plans. The Company recognises a liability and expense when it has a detailed formal plan which is without realistic possibility of withdrawal and the plan has been communicated to employees or their representatives.

Other long-term employee benefits include various plans that depend on the length of service, such as long service and sabbatical awards, disability benefits and long term compensated absences such as sick leave.

The amount recognised as a liability is the present value of benefit obligations at the statement of financial position date, and all changes in the provision (including actuarial gains and losses or past service costs) are recognised in the consolidated statement of operations.

Trade payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions and accruals

Aperam recognises provisions for liabilities and probable losses that have been incurred when it has a present legal or constructive obligation as a result of past events and it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a financing cost. Provisions for onerous contracts are recorded in the consolidated statement of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Provisions for restructuring relate to the estimated costs of initiated reorganisations that have been approved by the Aperam Management Committee, and which involve the realignment of certain parts of the industrial and commercial organisation. When such reorganisations require discontinuance and/or closure of lines or activities, the anticipated costs of closure or discontinuance are included in restructuring provisions. A liability is recognised for those costs only when the Company has a detailed formal plan for the restructuring and has raised a valid expectation with those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below €5,000). Lease payments related to company cars have been scoped out of IFRS 16 since for most of them the control of the cars is within the employee and the remaining part is not material to the Group. Related lease payments are recognised as an expense on a straight-line basis over the lease term. Before each year’s end closing the Group conducts an exhaustive review of current portfolio to verify that amounts remain non material.

Lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. As stated by IFRIC decision on IFRS 16 Lease Term, the Group considers the broader economics of the contract, and not only contractual termination payments when estimating the lease term.

The Group has the option, under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Environmental costs

Environmental costs that relate to current operations are expensed or capitalised as appropriate. Environmental costs that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation or cost reduction, are expensed. Liabilities are recorded when environmental assessments and or remedial efforts are probable and the cost can be reasonably estimated based on ongoing engineering studies, discussions with the environmental authorities and other assumptions relevant to the nature and extent of the remediation that may be required. The ultimate cost to the Company is dependent upon factors beyond its control such as the scope and methodology of the remedial action requirements to be established by environmental and public health authorities, new laws or government regulations, rapidly changing technology and the outcome of any potential related litigation.

Environmental liabilities are discounted if the aggregate amount of the obligation and the amount and timing of the cash payments are fixed or reliably determinable.

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of operations because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's expense for current tax is calculated using tax rates that have been enacted or substantively enacted as of the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the taxable temporary difference arises from the initial recognition of goodwill or if the differences arise from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Fair value measurement

Assets and liabilities carried or measured at fair value have been classified into three levels based upon a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The levels are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Significant inputs other than within Level 1 that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e.: derived from prices);

Level 3: Inputs for the assets or liabilities that are not based on observable market data and require management assumptions or inputs from unobservable markets.

Financial instruments

The classification of financial instruments depends on their contractual cash flow characteristics and the Group's business model.

Derivative financial instruments

See critical accounting judgments.

Non-derivative financial instruments

Non-derivative financial instruments include cash and cash equivalents, trade and other receivables, investments in equity securities, trade and other payables and debt and other liabilities. These instruments are recognised initially at fair value when the Company becomes a party to the contractual provisions of the instrument. They are derecognised if the Company's contractual rights to the cash flows from the financial instruments expire or if the Company transfers the financial instruments to another party without retaining control or substantially all risks and rewards of the instruments.

Debt and liabilities, other than provisions, are measured at amortised cost using the Effective Interest Rate method. Effective Interest Rate is the interest rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or the amortised cost of a financial liability. However, loans that are hedged under a fair value hedge are remeasured for the changes in the fair value that are attributable to the risk that is being hedged.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

IFRS 9 contains a rebuttable presumption that default occurs no later than when a payment is 90 days past due. For trade receivables, the Group has assumed a backstop of 180 days past due. This is more closely aligned to the risk management practices used by the Group, local conditions and current practices in the industry in which the Group operates. The impact on the Group's ECL allowance of this assumption is not material. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Emission rights

The Company's industrial sites which are regulated by the European Directive 2003/87/EC of October 13, 2003 on carbon dioxide emission rights, effective as of January 1, 2005, are located in Belgium and France. The emission rights allocated to the Company on a no-charge basis pursuant to the annual national allocation plan are recorded in the consolidated statement of financial position at nil and purchased emission rights are recorded at cost.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is deducted from the carrying amount of the related asset and credited to the consolidated statement of operations on a straight-line basis over the expected useful live of the asset.

When the Group receives grants of non-monetary assets, the asset and the grant are are usually accounted for at fair value. When fair value cannot be measured reliably, both the asset and the grant will be record at a nominal amount.

Revenue recognition

The Company's revenue is derived from the single performance obligation to transfer primarily stainless steel, specialty alloys products and raw materials for the stainless steel industry and high performance materials under arrangements in which the performance obligation is satisfied upon transfer of control of the products to the customer. Revenue from the sale of goods is recognised when (i) the Company has transferred control of the products to the customer and the customer obtains the benefits from the products, (ii) the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and (iii) it is probable that the Company will collect the consideration to which it is entitled to in exchange for the products.

The Company transfers control of the products either when the goods are shipped from the Company's facilities or when they are delivered to the customer, depending on the delivery terms of the arrangement. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

The Company's payment terms range from 30 to 90 days upon delivery, depending on the market and product sold.

The contracts entered by the Company usually do not contain material variable considerations. Hence, the determination of transaction price does not involve material judgements and estimates requiring disclosures in the financial statements. The transaction price is the price as mentioned in the contract.

For the Company, given that each contract has one performance obligation, the price as per the invoice/ contract is wholly allocated to this performance obligation. That is, no significant judgements or estimates are applied in determining the transaction price to be allocated to performance obligations. The Company's revenue divided into categories corresponds to the revenue by segment disclosed in Note 3.

Shipping and handling costs

The Company records amounts billed to a customer in a sale transaction for shipping and handling costs as sales and the related shipping and handling costs incurred as cost of sales.

Financing costs

Financing costs include interest income and expense, amortisation of discounts or premiums on borrowings, amortisation of costs incurred in connection with the arrangement of borrowings, and unrealised gains and losses on foreign exchange and raw material derivative contracts.

Earnings per common share

Basic earnings per common share is computed by dividing net income by the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed by dividing income available to equity holders and assumed conversion by the weighted average number of common shares and potential common shares from restricted share units and performance share units as well as potential common shares from the conversion of convertible bonds whenever the conversion results in a dilutive effect.

Assets held for sale and disposal

Non-current assets and disposal groups that are classified as held for sale and disposal are measured at the lower of carrying amount and fair value less costs of disposal. Assets and disposal groups are classified as held for sale and for disposal if their carrying amount will be recovered through a sale or a disposal transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset, or disposal group, is available for immediate sale or disposal in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. Assets held for sale and disposal are presented separately on the consolidated statements of financial position and are not depreciated.

Equity settled share based payments

Aperam issued equity-settled share-based payments consisting in restricted share units to key employees of the Company. Prior to the spin-off, ArcelorMittal issued equity settled share based payments consisting of stock options to certain Aperam employees. Equity settled share based payments issued to Aperam employees are measured at fair value (excluding the effect of non market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity settled share based payments is expensed on a graded vesting basis over the vesting period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non market based vesting conditions. The expected life used in the calculation has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line method over the vesting period and adjusted for the effect of non-market-based vesting conditions.

Segment reporting

Operating segments are components of the Company that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), for which discrete financial information is available and whose operating results are evaluated regularly by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance. Aperam management identified the Chief Executive Officer and Chief Financial Officer of the Company as its CODM, which is the individual or body of individuals responsible for the allocation of resources and assessment of performance of the operating segments.

The CODM manages the business according to four operating segments:

– Stainless & Electrical Steel that represents the production of a full range of stainless steel products in Europe (Belgium and France) and of a wide range of flat stainless and electrical steel and special carbon products in Brazil.

– Alloys & Specialties that includes an integrated production facility in France with a meltshop designed to produce specialty grades. This segment also includes downstream activities with nickel alloy and specialty assets.

– Services & Solutions that sells and distributes the Company’s products. It includes our tubes business. The segment also provides value added and customised steel solutions through further processing to meet customer specific requirements.

– Recycling & Renewables that collects, trades, processes and recycles stainless steel scrap and high performance alloys.

The information of the measure of the assets, liabilities and profit or loss for each segment is regularly provided to the CODM. Financing items are managed centrally for the Company as a whole and so are not directly attributable to individual operating segments.

Critical accounting judgments

The critical accounting judgments and significant assumptions made by management in the preparation of these financial statements are provided below.

Deferred Tax Assets

The Company records deferred tax assets and liabilities based on the differences between the carrying amount of assets and liabilities in the consolidated financial statements and their corresponding tax bases when these differences are temporary. Deferred tax assets are also recognised for the estimated future effects of tax losses carried forward and other tax benefits.

The Company reviews the deferred tax assets in the different jurisdictions in which it operates periodically to assess the possibility of realising such assets based on projected taxable profit, the expected timing of the reversals of existing temporary differences, the carry forward period of temporary differences and tax losses carried forward and the implementation of tax-planning strategies.

Note 7 describes the total deferred tax assets recognised in the consolidated statements of financial position. As of December 31, 2024, the amount of future income required to recover the Company’s deferred tax assets was approximately €1,321 million at certain operating subsidiaries (€699 million as of December 31, 2023).

Uncertain tax positions

The Company takes income tax positions that Management believes are supportable and are intended to withstand challenge by tax authorities. Some of these positions are inherently uncertain and include those relating to transfer pricing matters and the interpretation of income tax laws applied to complex transactions. The Company periodically reassesses its tax filing positions in particular when applicable tax regulations is subject to interpretations. Changes to the financial statement recognition, measurement, and disclosure of tax positions is based on management’s best judgment given any changes in the facts, circumstances, information available and applicable tax laws. Considering the inherently complex process of assessing the conclusions that the tax administrations may ultimately take on some of the Group's tax positions, Management believes there is a risk that some of the tax assets and liabilities may require adjustments in the future to reflect final tax assessments. In accordance with IFRIC 23, the Group measures its uncertain tax positions based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Employee Benefits

The Company’s operating subsidiaries have different types of pension plans for their employees. Also, some of the operating subsidiaries offer other post-employment benefits. The expense associated with these pension plans and post-employment benefits, as well as the carrying amount of the related liability/asset on the consolidated statement of financial position is based on a number of assumptions and factors such as discount rates, expected rate of compensation increase, average longevity at retirement age for current pensioners.

- Discount rates. The discount rate is based on several high quality corporate bond indexes in the appropriate jurisdiction (rated AA or higher by a recognised rating agency). Nominal interest rates vary worldwide due to exchange rates and local inflation rates.

- Rate of compensation increase. The rate of compensation increase reflects actual experience and the Company's long-term outlook, including contractually agreed upon wage rate increases for represented hourly employees.

- Average longevity at retirement age for current pensioners. The assumption made on mortality and retirement rates are based on actual and projected plan experience.

Note 21 details the net liabilities of pension plans and other post-employment benefits including a sensitivity analysis illustrating the effects of changes in assumptions.

Legal, Environmental and Other Contingencies

The Company may be involved in litigation, arbitration 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 loss and an estimation of damages are difficult to ascertain. 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. The Company recognises a liability for contingencies when it is more likely than not that the Company will sustain a loss and the amount can be estimated.

The Company is subject to changing and increasingly stringent environmental laws and regulations concerning air emissions, water discharges and waste disposal, as well as certain remediation activities that involve the clean-up of soil and groundwater. The Company recognises a liability for environmental remediation when it is more likely than not that such remediation will be required and the amount can be estimated.

The estimates of loss contingencies for environmental matters and other contingencies are based on various judgments and assumptions including the likelihood, nature, magnitude and timing of assessment, remediation and/ or monitoring activities and the probable cost of these activities.

In some cases, judgments and assumptions are made relating to the obligation or willingness and ability of third parties to bear a proportionate or allocated share of cost of these activities, including third parties who sold assets to the Company or purchased assets from the Company subject to environmental liabilities. The Company also considers, among other things, the activity to date at particular sites, information obtained through consultation with applicable regulatory authorities and third party consultants and contractors and its historical experience with other circumstances judged to be comparable. Due to the numerous variables associated with these judgments and assumptions, and the effects of changes in governmental regulation and environmental technologies, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. As estimated costs to remediate change, the Company will reduce or increase the recorded liabilities through credits or expenses in the consolidated statement of operations.

Impairment of Property Plant & Equipment and Intangible Assets

Goodwill

Goodwill impairment test is performed at GCGU level. For the purpose of the annual impairment test, value in use calculations are prepared. The key assumptions for the value in use calculations are primarily the post-tax discount rates, the terminal growth rate and the expected changes to raw material margin including nickel price, shipments and added costs during the period.

Management estimates discount rates using post-tax rates as cash flows are adjusted for tax effects. The terminal growth rates estimated considering macroeconomic factors including inflation in all GCGUs. These rates did not exceed the average long-term growth rate for the relevant markets.

Assumptions for raw material margin and shipments were based on historical experience and expectations of future changes in the market where the Company is active in as well as on the basis of projections provided by external sources. The nickel price estimate for the next 5 years was determined by the management based on internal analysis giving due consideration to forecasts published by external sources. The discount rate for the GCGUs was estimated from the weighted average cost of capital and cost of debt of producers which operate a portfolio of assets similar to those of the Group's assets.

Changes in selling prices and direct costs are based on historical experience and expectations of future changes in the market. When estimating GCGU's average selling price for the purpose of 2024 impairment test, the Group used an average price per tonne based on Stainless steel/CR304 2B 2mm coil transaction price/Southern European domestic delivered prices derived from Steel Business Briefing ("SBB").

Assumptions value and related sensitivity analysis of the key assumptions performed is disclosed in Note 12.

Property Plant & Equipment and Intangible Assets (excluding goodwill)

At each reporting date, the Company reviews whether there is any indication that the carrying amounts of its property plant & equipment and intangible assets (excluding goodwill) may not be recoverable through continuing use.

During the years 2024 and 2023, such indications were noted and impairment test was performed. The key assumptions for the value in use calculations are primarily the post-tax discount rates, the terminal growth rate and the expected changes to raw material margin including nickel price, shipments and added costs during the period.

Assumptions value and related sensitivity analysis of the key assumptions performed is disclosed in Note 14.

Derivative financial instruments

The Company enters into derivative financial instruments principally to manage its exposure to fluctuation in exchange rates and prices of raw materials. Derivative financial instruments are classified as current assets or liabilities based on their maturity dates and are accounted for at trade date. Embedded derivatives are separated from the host contract and accounted for separately if required by IFRS 9, "Financial Instruments". The Company measures all derivative financial instruments based on fair values derived from market prices of the instruments or from option pricing models, as appropriate.

See Note 24 for analysis of the Company's sensitivity to changes in certain of these inputs. Gains or losses arising from changes in the fair value of derivatives are recognised in the statement of operations, except for derivatives that are highly effective and qualify for cash flow hedge accounting.

The effective portion of changes in the fair value of a derivative that is designated and that qualifies as a cash flow hedge are recorded in other comprehensive income. Amounts deferred in other comprehensive income are recorded in the consolidated statement of operations in the periods when the hedged item is recognised in the consolidated statement of operations and within the same line item. Any ineffective portion of changes in the fair value of the derivative is recognised directly in the consolidated statement of operations.

The Company formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. When a hedging instrument is sold, terminated, expires or is exercised the accumulated unrealised gain or loss on the hedging instrument is maintained in equity until the forecasted transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss, which had been recognised in equity, is reported immediately in the consolidated statement of operations.

With increased volatility in the markets, specifically LME Nickel contracts, Aperam has reviewed and adjusted its management of the risk on nickel derivatives to match business correlation to the market development in 2022. For such instruments not accounted for as cash flow hedges, gains or losses arising from changes in fair value of derivatives and gains or losses realised upon settlement of derivatives are recognised in the consolidated statement of operations within the same line item.

Net realisable value

The Group estimates the net realisable values of its inventories in order to recognise the appropriate valuation adjustments. The expected selling prices of the inventories less costs to sell are taken into account when determining the net realisable value. Net realizable value represents the estimated selling price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling, and distribution. Net realizable value is estimated based on the most reliable evidence available at the time the estimates were made of being the amount that the inventory is expected to realise, taking into account the purpose for which the inventory is held.

Control assessment

On 7 June 2023, Aperam South America (“ASA”) and CIA DE FERRO LIGAS DA BAHIA FERBASA (“Ferbasa”) signed an association agreement to constitute a special-purpose entity - named Bahia Minas BioEnergia Ltda (“Bahia”) to jointly exploit eucalyptus production. Ferbasa has 51% of the share capital of Bahia and ASA owns the remaining 49%. Management performed a control assessment under IFRS 10 and concluded that since July 6, 2024, Aperam controls Bahia as it has the power to influence the variable returns of Bahia through an agricultural partnership. As of December 31, 2024, the Company recognised a net asset value for land of €23 million, a current liability of €16 million for unpaid acquisition price of the land and a non-current liability of €3 million for the net present value of the obligation to pay an annual minimum fixed return to Ferbasa over the next 35 years.

Use of estimates

The preparation of the consolidated financial statements in conformity with IFRS recognition and measurement principles and, in particular, making the aforementioned critical accounting judgments require 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.

Judgements and estimates made in assessing the impact of climate change and the transition to a low carbon economy

As a key player in the field of a high-carbon emission sector, Aperam is fully aware of the challenges, risks and opportunities in relation to climate change and the transition to a low carbon economy, in particular with respect to its financial implications. In that context, the Company continues to develop its assessment of the potential impacts of climate change and the transition to a low carbon economy and has considered such impacts when preparing its consolidated financial statements. Aperam intends on paving the way towards the most sustainable practices that transform steelmaking with solid roadmaps to further reduce our CO_2 and air emissions, as well as our energy and water consumption by 2030, and participate to global carbon neutrality by 2050 in line with the United Nations’ Paris agreement.

Aperam has an ambitious climate change action plan with solid greenhouse gas emissions reduction targets as well as general sustainable practices, including water stewardship, recycling and relevant monitoring.

Assumptions in respect of climate change and the transition to a low carbon economy may impact the Company’s significant judgements and key estimates and result in material changes to financial results and the carrying values of certain assets and liabilities in future reporting periods.

The Company presents below the various topics where judgements and estimates associated with climate change are addressed:

- **Business combination:** Aperam fully integrates into its strategy the need for a more circular economy, as demonstrated with the creation of a Recycling & Renewables segment and the acquisition of ELG, a major player in the global stainless scrap recycling market, in December 2021;

- **Joint venture in Botanickel:** In 2023, Aperam and Econick have formed a joint venture to become a world leader in the responsible and sustainable production of bio-sourced nickel for the stainless steel industry;

- **Bahia Minas BioEnergia:** In 2023, Aperam created a special purpose entity for the expansion of its forests for charcoal production with Ferbasa - one of the world's leading producers of ferroalloys. This expansion is in line with Aperam's strategy to grow BioEnergia and its existing forest operations by 20% and to expand into new business models focusing on energy transition (see Control Assessment section above);

- **Biological assets:** In Brazil, 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). As from 2021, on top of other minor methodological adjustments aimed at fine-tuning the evaluation of our decarbonisation roadmap, we calculated the CO_2 sequestration operated by our forestry. This was done following the best practices emerging in Brazil and verified based on the ISO 14064 by external third parties. The outcome of this assessment is that our forestry has very significant yearly sequestration capacities for the coming decades, which we will be helping, once our decarbonisation plan is complete, to close the gap to carbon neutrality by 2050;

- **Impairment of property plant and equipment and intangible assets, including goodwill:** Value in use calculations relating to Stainless & Electrical Steel and Alloys & Specialties operations include the impact of decarbonisation. Accordingly, the Company developed assumptions in determining related capital expenditures which reflect announced commitments and initiatives in place, operating costs including commodity prices and carbon emission costs on the basis of historical experience and expectations of future changes. As an example, we started to use an internal price of carbon for the assessment of our capital expenditures as from 2016. This requires assessing the future development in supply, technology change, production changes and other important factors. These assumptions may change, which could result in significant changes to value in use calculations in future periods and affects impairment assessments;

- **Long-term debt:** The pricing of new financing contracts is linked to two strategic commitments of the company being firstly to become a best-in-class stainless steel manufacturer in terms of Health & Safety by constantly outperforming its industrial average in terms of Health & Safety metrics and to maintain its leadership in low carbon steel-making by setting an ambitious decarbonisation trajectory;

- **Share-based payments:** Aperam's remuneration philosophy for senior management comprises, among others, equity incentive plans that contain certain performance criteria based on environmental sustainability and sustainable profitability, including business transformation and governance.

NOTE 3: SEGMENT AND GEOGRAPHIC INFORMATION

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:

(in millions of Euros)	**Stainless & Electrical Steel**	**Services & Solutions**	**Alloys & Specialties**	**Recycling & Renewables**	**Others / Eliminations (1)**	**Total**
Year ending December 31, 2024						
Sales to external customers	1,969	2,292	903	1,091	—	6,255
Intersegment sales (2)	2,038	90	16	859	(3,003)	—
Operating income / (loss)	75	24	70	(2)	(38)	129
Depreciation and amortisation and impairment	(111)	(16)	(13)	(88)	(1)	(229)
EBITDA (3)	186	40	83	86	(37)	358
Capital expenditures	(87)	(13)	(27)	(25)	—	(152)

(in millions of Euros)	**Stainless & Electrical Steel**	**Services & Solutions**	**Alloys & Specialties**	**Recycling & Renewables**	**Others / Eliminations (1)**	**Total**
Year ending December 31, 2023						
Sales to external customers	2,302	2,171	871	1,248	—	6,592
Intersegment sales (2)	1,927	84	18	729	(2,758)	—
Operating income / (loss)	(25)	10	40	84	(20)	89
Depreciation, amortisation and Impairment	(106)	(14)	(9)	(72)	(3)	(204)
EBITDA (3)	81	24	49	156	(17)	293
Capital expenditures (4)	(168)	(19)	(34)	(29)	—	(250)

Notes:
(1) Others / Eliminations includes all other operations than mentioned above, together with intersegment 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) Definition of Capital expenditures has been changed in 2023 from "Purchase of property, plant & equipment, intangible assets and biological assets" into "Purchase of property, plant & equipment and intangible assets".

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

(in millions of Euros)	**2024**	**2023**
Operating income	**129**	**89**
Loss from associates, joint ventures and other investments	(1)	(2)
Financing income / (costs) - net (Note 6)	(50)	30
Income before taxes	**78**	**117**
Income tax expense	154	87
Net income	**232**	**204**

Geographical information

Sales to external customers (by destination)

(in millions of Euros)	**2024**	**2023**
Americas		
Brazil	990	1,031
United States	871	796
Argentina	48	111
Others	55	109
Total Americas	**1,964**	**2,047**
Europe		
Germany	1,231	1,201
Italy	672	711
France	295	305
Belgium	214	254
Spain	198	260
United Kingdom	201	241
Finland	43	49
Poland	151	148
Czech Republic	111	113
Austria	101	117
Switzerland	134	128
Turkey	68	85
Netherlands	78	84
Others	275	269
Total Europe	**3,772**	**3,965**
Asia & Africa		
Taiwan	137	177
South Korea	185	156
China	82	99
India	44	64
Vietnam	23	24
Japan	13	14
Australia	5	6
Others	30	40
Total Asia & Africa	**519**	**580**
Total	**6,255**	**6,592**

Non-current assets[1] per significant country:

(in millions of Euros)	December 31, 2024	December 31, 2023
Americas		
Brazil	602	635
USA	92	88
Others	10	10
Total Americas	**704**	**733**
Europe		
Belgium	829	843
France	453	467
Germany	87	95
United Kingdom	16	17
Italy	18	13
Poland	14	11
Netherlands	4	6
Spain	8	9
Czech Republic	8	10
Luxembourg	7	6
Others	2	2
Total Europe	**1,446**	**1,479**
Asia Pacific & Africa		
India	29	19
China	2	3
Singapore	1	2
Taiwan	1	1
Japan	2	2
Australia	1	1
Total Asia & Africa	**36**	**28**
Unallocated assets[1]	780	675
Total	**2,966**	**2,915**

Note:
(1) Management revised disclosure of the non-current assets in 2024. For the sake of comparison, the information for 2023 has been recast accordingly. Non-current assets do not include goodwill (as it is not allocated to the geographic regions), deferred tax assets, investments in associates, joint ventures and other investments, and pension fund assets. Such assets are presented under the caption “Unallocated assets”.

NOTE 4: COST OF SALES

Cost of sales includes the following components:

(in millions of Euros)	**2024**	**2023**
Materials	4,704	5,250
Payroll and employee related expenses	546	505
Transportation and storage expenses	276	228
Depreciation, amortisation and impairment	229	204
Other [(1)]	51	26
Total	**5,806**	**6,213**

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

NOTE 5: SELLING, GENERAL & ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses includes the following components:

(in millions of Euros)	**2024**	**2023**
Payroll and employee related expenses	191	168
Professional services	37	30
IT Services	29	26
Tax & duties	12	13
Selling expenses	13	12
Other [(1)]	38	41
Total	**320**	**290**

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

NOTE 6: FINANCING INCOME / (COSTS) - NET

(in millions of Euros)	**2024**	**2023**
Recognised in the consolidated statement of operations		
Interest income	19	38
Interest expense	(47)	(43)
Other net financing costs [1]	(14)	(28)
Net interest expense and other financing costs - net	**(42)**	**(33)**
Realised (losses) / gains on derivative instruments	(20)	38
Unrealised gains on derivative instruments	2	70
Net foreign exchange result	10	(45)
Foreign exchange and derivatives (losses) / gains	**(8)**	**63**
Financing (costs) / income - net	**(50)**	**30**

Note:
(1) Other net financing costs mainly include expenses related to our True Sale of Receivables programme ("TSR"), discount effects on provisions for other liabilities and charges, bank fees, interest cost on employee benefits plans and other financing costs. In 2024, other net financing costs included an exceptional interest income of €14 million in Brazil for PIS/Cofins tax credits related to prior periods.

Unrealised gains/(losses) on derivative instruments are mainly related to the fair value adjustments of raw material financial instruments and foreign exchange instruments which do not qualify for hedge accounting.

NOTE 7: INCOME TAX

Income tax benefit

The breakdown of the income tax benefit for each of the years ending December 31, 2024 and 2023, respectively, is summarised as follows:

(in millions of Euros)	**2024**	**2023**
Current tax expense	(14)	(29)
Deferred tax benefit	168	116
Total income tax benefit	**154**	**87**

The following table reconciles the income tax benefit to the statutory tax expense as calculated:

(in millions of Euros)	**2024**	**2023**
Net income (including non-controlling interests)	**232**	**204**
Income tax benefit	154	87
Income before tax:	**78**	**117**
Tax expense at domestic rates applicable to countries where income was generated	(32)	(51)
Tax effect of amounts which are not (deductible) / taxable in calculating taxable income		
Net change in measurement of deferred tax assets	184	90
Tax credits	1	1
Other tax exempt income and other permanent differences	1	47
Income tax benefit	**154**	**87**

The weighted average statutory tax expense was €(32) million and €(51) million in 2024 and 2023, respectively.

The income tax benefit was €154 million in 2024, which corresponds to a negative effective tax rate of (197)%, compared to an income tax benefit of €87 million and a negative effective tax rate of (74)% in 2023. The change in the effective tax rate in 2024 compared to 2023 is mainly due to additional net deferred tax assets recognised on tax losses carried forward and other tax benefits.

Net change in measurement of deferred tax assets

Net change in measurement of deferred tax assets of €184 million in 2024 mainly relates to the recognition of additional net deferred tax assets on tax losses carried forward and effect of other tax benefits totalling €190 million primarily in Luxembourg, resulting from the measurement of uncertain tax position following the issuance of the tax assessments of prior years by the tax authorities. These additional benefits are partially offset by the effect of the recapture of interest expense on intercompany loans and withholding tax due to dividends received by some subsidiaries for €(4) million.

Net change in measurement of deferred tax assets of €90 million in 2023 mainly relates to the recognition of additional net deferred tax assets on tax losses carried forward and other tax benefits of €101 million in various jurisdictions, partly offset by the effect of the recapture of interest expense on intercompany loans and withholding tax due to dividends received by some subsidiaries for €(7) million.

Tax credits

Tax credits of €1 million in 2024 and in 2023 relate to research tax credits in France.

Other tax exempt income and other permanent differences

Other tax exempt income and other permanent differences in 2024 consists of a reduced taxation of certain income, withholding taxes on intra-group corporate service fees and adjustments for tax deductible and non-deductible items.

Other tax exempt income and other permanent differences in 2023 consists of a reduced taxation on the financing activity, taxation on dividends and interests on net equity, withholding taxes on intra-group corporate service fees and adjustments for tax deductible and non-deductible items.

Income tax recognised directly in equity

Income tax recognised in equity for the years ending December 31, 2024 and 2023 is as follows:

(in millions of Euros)	2024	2023
Deferred tax benefit		
Recognised in Other Comprehensive Income / (Loss):		
Recognised actuarial gain / (loss)	(3)	2
Unrealised gains on derivative financial instruments	—	8
Foreign currency translation adjustments	8	(1)
Recognised in Retained Earnings:	**—**	**—**
Total	**5**	**9**

The net deferred tax benefit recorded directly to equity was €5 million as of December 31, 2024 and €9 million as of December 31, 2023. There was no current tax booked directly in equity in 2024 and 2023.

Deferred tax assets and liabilities

The origin of deferred tax assets and liabilities is as follows:

	Assets		Liabilities		Net	
	December 31,		December 31,		December 31,	
(in millions of Euros)	2024	2023	2024	2023	2024	2023
Intangible assets	5	3	(14)	(14)	(9)	(11)
Property, plant and equipment	2	3	(141)	(169)	(139)	(166)
Biological assets	—	—	(42)	(27)	(42)	(27)
Inventories	26	36	(5)	(5)	21	31
Financial instruments	6	8	(5)	(5)	1	3
Other assets	4	4	(18)	(15)	(14)	(11)
Provisions	30	32	(63)	(64)	(33)	(32)
Other liabilities	37	32	(2)	(2)	35	30
Tax losses carried forward	335	138	—	—	335	138
Tax credits and other tax benefits	116	143	—	—	116	143
Deferred tax assets/(liabilities)	**561**	**399**	**(290)**	**(301)**	**271**	**98**
Deferred tax assets					351	213
Deferred tax liabilities					(80)	(115)

In 2024, there was an increase in net deferred tax assets amounting to €138 million, primarily due to the recognition of additional deferred tax assets on tax losses carried forward across various jurisdictions, primarily in Luxembourg.

Management conducted a recoverability analysis of these deferred tax assets for various jurisdictions and concluded that they will be recoverable. Producing entities are expected to recover these deferred tax assets when they realise taxable profits considering the cyclicity of the business in line with the approved business plans and budgets. Non – producing entities are expected to recover the deferred tax assets in line with the nature of their respective operations and functions in Group activities. Depending on the jurisdiction, the losses can be carried forward for periods ranging from 5 years to indefinitely, with no expiry date.

Deferred tax assets not recognised by the Company as of December 31, 2024, were as follows:

(in millions of Euros)	**Gross amount**	**Total deferred tax assets**	**Recognised deferred tax assets**	**Unrecognised deferred tax assets**
Tax losses carried forward	2,374	595	335	260
Tax credits and other tax benefits	617	187	116	71
Other temporary differences	402	110	110	—
Total		**892**	**561**	**331**

Deferred tax assets not recognised by the Company as of December 31, 2023, were as follows:

(in millions of Euros)	**Gross amount**	**Total deferred tax assets**	**Recognised deferred tax assets**	**Unrecognised deferred tax assets**
Tax losses carried forward	1,263	337	138	199
Tax credits and other tax benefits	597	191	143	48
Other temporary differences	431	118	118	—
Total		**646**	**399**	**247**

The Company has unrecognised deferred tax assets relating to tax losses carry forward, tax credits and other tax benefits amounting to €331 million and €247 million as of December 31, 2024 and 2023, respectively. As of December 31, 2024, the deferred tax assets not recognised relate to tax losses carry forward attributable to subsidiaries located in Luxembourg (€211 million), the United States (€19 million), Brazil (€17 million) and other countries (€13 million) and other tax benefits attributable to subsidiaries located in Malta (€49 million), France (€17 million) and the United States (€5 million) with different statutory tax rates.

The amount of the total deferred tax assets is the aggregate amount of the various deferred tax assets recognised and unrecognised at the various subsidiaries and not the result of a computation with a blended rate. The utilisation of tax losses carry forward is restricted to the taxable income of the subsidiary or tax consolidation group to which it belongs. The utilization of tax losses carried forward may also be restricted by the character of the income, expiration dates and limitations on the yearly use of tax losses against taxable income.

As of December 31, 2024, based upon the level of historical taxable income and projections for future taxable income over the periods in which the deductible temporary differences are anticipated to reverse, Management believes it is probable that the Company will realise the benefits in relation to an amount of deferred tax assets recognised for €351 million. The amount of future taxable income required to be generated by the Company's operating subsidiaries to utilise the total deferred tax assets is approximately €1,321 million. Historically, the Company has been able to generate taxable income in sufficient amounts to permit it to utilise tax benefits associated with net operating losses carry forward and other deferred tax assets that have been recognised in its consolidated financial statements. However, the amount of the deferred tax assets considered realisable could be adjusted in the future if estimates of taxable income are revised.

The Company has not recorded any deferred income tax liabilities on the undistributed earnings of its foreign subsidiaries for income tax due if these earnings would be distributed. For investments in subsidiaries, branches, associates and investments, that are not expected to reverse in the foreseeable future, no deferred tax liability has been recognised as of December 31, 2024 and December 31, 2023.

Tax losses carry forward

As of December 31, 2024, the Company had total estimated net tax losses carry forward of €2,374 million.

Such amount includes net operating losses of €1,276 million related to subsidiaries located in Luxembourg, Turkey and in the United States which expire as follows:

Year expiring	Amount *(in millions of Euros)*
2025	—
2026	—
2027	—
2028	—
2029	10
2030 - 2044(1)(2)	1,266
Total	**1,276**

Notes:
(1) Starting in 2017, any tax losses generated in 2017 and onwards will have an expiry date of 17 years in Luxembourg while tax losses generated before 2017 have no expiry date.
(2) Starting in 2018, any tax losses generated in 2018 and onwards will no longer have an expiry date in the United States while tax losses generated before 2018 have an expiry date of 20 years.

The remaining tax losses carry forward of €1,098 million are indefinite and attributable to the Company's operations in various jurisdictions (mainly Brazil, France, Germany and Luxembourg). Tax losses carry forward are denominated in the currency of the countries in which the respective subsidiaries are located and operate. Fluctuations in currency exchange rates could reduce the Euro equivalent value of these tax losses carry forward in future years.

Pillar Two Model Rules

The Group is within the scope of the OECD/EU Pillar Two rules. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The Ultimate Parent Entity is located in Luxembourg and, therefore, applies the Income Inclusion Rule ("IIR") for all jurisdictions where Pillar Two rules were not (fully) enacted. The legislation came into effect for the Group's financial year starting on 1 January 2024. Under the legislation, the Group is liable to pay a top-up tax for the difference between its Pillar Two effective tax rate per jurisdiction and the 15% minimum tax rate. The group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group performed an impact analysis of the OECD transitional safe harbour rules (as transposed into national legislation). As of December 31, 2024, the Group concluded that, based on its current understanding of the rules, the limited practical experience as well as the limited administrative guidance from OECD and Luxembourg tax administration, the majority of jurisdictions will not be subject to top-up tax due to the application of one of the transitional safe harbour rules, with the exception of China where the impact is not considered to be significant compared to the Global operations of the Group.

NOTE 8: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following:

(in millions of Euros)	**December 31, 2024**	**December 31, 2023**
Bank current accounts	99	109
Term accounts (initial maturity < 3 months)	117	334
Total	**216**	**443**

Aperam cash deposits are done with leading banks, having investment grade credit ratings in countries where it is represented.

NOTE 9: TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consisted of the following:

(in millions of Euros)	**December 31, 2024**	**December 31, 2023**
Trade accounts receivable from customers	319	352
Advance to suppliers	10	66
Other amounts receivable on TSR programme	13	11
Total	**342**	**429**

Trade accounts receivable from customers and loss allowance are as follows:

(in millions of Euros)	**December 31, 2024**	**December 31, 2023**
Gross amount	327	364
Loss allowance	(8)	(12)
Total	**319**	**352**

See Note 25 for information regarding trade accounts receivable from related parties.

Before accepting any new customer, the Company requests a credit limit authorisation from credit insurance companies or uses an internally developed credit scoring system to assess the potential customer's credit quality and to define credit limits by customer. For all significant customers, the credit terms must be approved by relevant credit committees. Limits and scoring attributed to customers are reviewed periodically. There are no customers which represent more than 10% of the total balance of trade accounts receivable and revenues.

Exposure to credit risk by reportable segment

The maximum exposure to credit risk for trade accounts receivable from customers by reportable segment is:

(in millions of Euros)	**December 31, 2024**	**December 31, 2023**
Stainless & Electrical Steel	74	76
Services & Solutions	121	133
Alloys & Specialties	32	57
Recycling & Renewables	92	86
Total	**319**	**352**

Exposure to credit risk by geography

The maximum exposure to credit risk for trade accounts receivable from customers by geographical area is:

(in millions of Euros)	**December 31, 2024**	**December 31, 2023**
Europe	143	191
South America	79	82
North America	87	71
Asia	10	8
Total	**319**	**352**

Ageing of trade accounts receivable

The ageing of trade accounts receivable from customers and loss allowance is as follows:

	December 31, 2024		**December 31, 2023**	
(in millions of Euros)	**Gross**	**Allowance** [(1)]	**Gross**	**Allowance** [(1)]
Not past due	278	—	308	—
Past due 0-30 days	31	—	25	—
Past due 31-180 days	10	—	19	—
More than 180 days	8	(8)	12	(12)
Total	**327**	**(8)**	**364**	**(12)**

Note:
[(1)] The large majority of the Group's trade receivables are covered by letters of credit or credit insurance obtained from reputable banks and other financial institutions, therefore ECL (Expected Credit Losses) is not significant.

The movement in the loss allowance in respect of trade accounts receivable during the year is as follows:

(in millions of Euros)

Balance as of January 1, 2023	**Additions**	**Deductions/ Releases**	**Balance as of December 31, 2023**
10	10	(8)	12

(in millions of Euros)

Balance as of January 1, 2024	**Additions**	**Deductions/ Releases**	**Other (primarily exchange rate changes)**	**Balance as of December 31, 2024**
12	5	(8)	(1)	8

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored and any shipments to major customers are in the large majority covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. As at December 31, 2024 and 2023, only trade receivables due above 180 days were fully impaired for an impact of €8 million and €12 million, respectively.

The Company has established sales without recourse of trade accounts receivable programme with financial institutions, referred to as True Sales of Receivables ("TSR"). The maximum combined amount of the programmes that could be utilised were €575 million and €550 million as of December 31, 2024 and 2023, respectively. Through the TSR programme, certain operating subsidiaries of Aperam surrender control, major 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.The amount of receivables sold as of December 31, 2024 and 2023 were €381 million and €380 million respectively.

The total amount of receivables sold under the TSR programme and derecognised in accordance with IFRS 9 for the years ending December 31, 2024 and 2023 were €2.6 billion and €2.8 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 €(21) million and €(23) million in 2024 and 2023, respectively.

NOTE 10: INVENTORIES

Inventories, net of provision for obsolescence, slow-moving inventories and excess of cost over net realisable value of €183 million and €194 million as of December 31, 2024 and December 31, 2023, respectively, are comprised of the following:

(in millions of Euros)	**December 31, 2024**	**December 31, 2023**
Finished products	624	654
Production in process	703	740
Raw materials	670	713
Manufacturing supplies, spare parts and other	162	174
Total	**2,159**	**2,281**

The amount of inventory pledged as collateral was below €1 million as of December 31, 2024 and 2023, respectively.

The movement in the allowance for obsolescence, slow-moving inventories and excess of cost over net realisable value is as follows:

(in millions of Euros)

Balance as of January 1, 2023	Additions	Deductions	Releases	Other Movements	Balance as of December 31, 2023
187	107	(16)	(83)	(1)	194

(in millions of Euros)

Balance as of January 1, 2024	Additions	Deductions	Releases	Other Movements	Balance as of December 31, 2024
194	56	(32)	(34)	(1)	183

NOTE 11: PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

(in millions of Euros)	December 31, 2024	December 31, 2023
Value added tax (VAT) and other amount receivable from tax authorities	79	75
Prepaid expenses and accrued receivables	15	22
Other	13	14
Total	**107**	**111**

NOTE 12: GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets consist of the following:

(in millions of Euros)	**Goodwill**	**Customer relationships, trade marks & technology and other intangible assets**	**Concessions, patents and licenses**	**Total**
Cost				
At January 1, 2023	429	147	108	684
Acquisitions	—	1	1	2
Disposals	—	—	—	—
Foreign exchange differences	5	1	—	6
Other movements	—	(4)	4	—
At December 31, 2023	**434**	**145**	**113**	**692**
Accumulated amortisation and impairment losses				
At January 1, 2023	—	(140)	(93)	(233)
Amortisation charge	—	—	(6)	(6)
Disposals	—	—	—	—
Foreign exchange differences	—	(1)	—	(1)
At December 31, 2023	**—**	**(141)**	**(99)**	**(240)**
Carrying amount				
At December 31, 2023	**434**	**4**	**14**	**452**
Cost				
At January 1, 2024	434	145	113	692
Acquisitions	—	—	2	2
Disposals	—	—	—	—
Foreign exchange differences	(22)	(6)	(5)	(33)
Other movements	—	1	—	1
At December 31, 2024	**412**	**140**	**110**	**662**
Accumulated amortisation and impairment losses				
At January 1, 2024	—	(141)	(99)	(240)
Amortisation charge	—	—	(5)	(5)
Disposals	—	—	—	—
Foreign exchange differences	—	5	5	10
At December 31, 2024	**—**	**(136)**	**(99)**	**(235)**
Carrying amount				
At December 31, 2024	**412**	**4**	**11**	**427**

As a result of the acquisition of Arcelor by Mittal Steel on August 1, 2006, associated goodwill, intangible assets, and certain fair value adjustments were recorded.

The goodwill acquired in this business combination was allocated to the four below operating segments based on the relative fair values of the operating segments :

(in millions of Euros)	**Net value January 1, 2024**	**Foreign exchange differences**	**Net value December 31, 2024**
Stainless & Electrical Steel	339	(20)	319
Alloys & Specialties	20	—	20
Services & Solutions	59	—	59
Recycling & Renewables	16	(2)	14
Total	**434**	**(22)**	**412**

Goodwill is tested at the group of cash-generating unit ("GCGU") level for impairment annually or whenever changes in circumstances indicate that its carrying amount may not be recoverable. For 2024, goodwill was tested at the GCGU level for impairment as of October 31. The Group reviewed as of December 31, 2024 any indication that long-lived assets (including goodwill) may be impaired. There were no additional triggers for impairment at the end of 2024 since the impairment test performed as of October 31, 2024. The GCGU is at the operating segment level of Aperam, which represents the lowest level at which goodwill is monitored for internal management purposes. The recoverable amounts of the GCGUs are determined based on their value in use. The Company determined to calculate value in use for purposes of its impairment testing and, accordingly, did not determine the fair value less costs of disposal of the GCGUs as the carrying value of the GCGUs was lower than their value in use.

The key assumptions for the value in use calculations are primarily the discount rates, terminal growth rates and the expected changes to raw material margin including nickel price, shipments and added costs during the period.

The discount rates used in the value in use calculations are presented in the table below:

	Stainless & Electrical Steel	**Alloys & Specialties**	**Services & Solutions**	**Recycling & Renewables**
GCGU weighted average post-tax discount rate used in 2023	8.8%	8.9%	11.9%	7.9%
GCGU weighted average post-tax discount rate used in 2024	8.7%	8.4%	9.0%	7.6%

The terminal growth rate used is estimated for 2024 at 2% (2023: 2%).

The results of the goodwill impairment test of 2023 for each GCGU did not result in an impairment of goodwill as the value in use exceeded the carrying value of the GCGUs.

In validating the value in use determined for the GCGU in 2024, key assumptions used in the discounted cash-flow model were sensitized to test the resilience of value in use. Management believes that reasonably possible changes in key assumptions would cause an impairment loss to be recognized in respect of the Stainless & Electrical Steel GCGU.

(in millions of Euros)	**Stainless & Electrical Steel**
Recoverable amount	2,905
Carrying amount	2,593
Excess of recoverable amount over carrying amount	312

The following changes in key assumptions in projected cash flows, assuming unchanged values for the other assumptions, would cause the recoverable amount to equal the respective carrying value;

	Stainless & Electrical Steel
Increase in post-tax discount rate (change in basis points)	78 bps
Decrease in terminal growth rate used for the years beyond the five-year plan (change in basis points)	158 bps
Decrease in shipments (change in %)	3.2%
Decrease in raw material margin (change in %)	1.5%
Increase in added costs (change in %)	1.8%

In addition, the Company analysed the sensitivity of the estimated recoverable amounts to the reasonable expected changes in assumptions, assuming unchanged values for the other assumptions.

For the Stainless & Electrical Steel GCGU, a reasonable possible increase of the post-tax discount rate by 100 basis point would result in a decrease in the GCGU's recoverable amount by EUR 387 million.

The analysis did not result in any other scenarios whereby a reasonable possible change in the aforementioned key assumptions would result in a recoverable amount for the GCGU lower than its carrying value as of 31 December 2024.

Research and development costs

Research and development costs do not meet the criteria for capitalisation and are expensed and included in selling, general and administrative expenses within the consolidated statement of operations. These costs amounted to €(24) million and €(24) million in the years ending December 31, 2024, and 2023, respectively.

There were no research and development costs capitalised during any of the periods presented.

NOTE 13: BIOLOGICAL ASSETS

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

(in millions of Euros)

Balance at January 1, 2023	51
Additions	44
Change in fair value(1)	49
Harvested trees	(37)
Foreign exchange differences	1
At December 31, 2023	**108**
Balance at January 1, 2024	108
Additions	11
Change in fair value(1)	41
Harvested trees	(51)
Foreign exchange differences	(15)
At December 31, 2024	**94**

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

The Company's biological assets comprise eucalyptus forests cultivated and planted in order to supply raw materials for the production of charcoal. The total area of 136 thousand hectares is composed of eucalyptus forest reserves in Brazil on December 31, 2024 compared to 134 thousand hectares on December 31, 2023. These areas are managed by Aperam BioEnergia Ltda that provides planting and coal production services.

In order to determine the fair value of biological assets, a discounted cash flow model was used, with the harvest cycle of six to seven years. Fair value measurement of biological assets is categorised within level 3 of fair value hierarchy. The projected cash flows are consistent with the area's growing cycle. The volume of eucalyptus production to be harvested was estimated considering the average productivity in cubic meters of wood per hectare from each plantation at the time of harvest. The average productivity varies according to the genetic material, climate and soil conditions and the forestry management programmes. The projected volume is based on the average annual growth which at the end of 2024 was equivalent to 28.0m^3/ha/year, compared to 28.6m^3/ha/year at the end of 2023.

The average net sales price of 123 Brazilian real per m^3 (approximately €20 per m^3) in 2024 and 119 Brazilian real per m^3 (approximately €22 per m^3) in 2023, was projected based on the estimated price for eucalyptus in the local market, through a market study and research of actual transactions, adjusted to reflect the price of standing trees by region. The average estimated cost considers expenses for felling, chemical control of growing, pest control, composting, road maintenance, inputs and labour services. Tax effects based on current rates of 34% in 2024, and 34% in 2023, as well as the contribution of other assets, such as property, plant and equipment and land were considered in the estimation based on average rates of return for those assets.

The valuation model considers the net cash flows after income tax and the post-tax discount rate used of 9.3% in 2024, and 13.5% in 2023.

The following table illustrates the sensitivity to a 10% variation in each of the significant unobservable inputs used to measure the fair value of the biological assets on December 31, 2024:

(in millions of Euros)	**Impacts on the fair value resulting from**	
Significant unobservable impacts	**10% increase**	**10% decrease**
Average annual volume	14	(14)
Average selling price	14	(14)
Discount rate	(5)	6

Sensitivity to a 10% variation in each of the significant unobservable inputs used to measure the fair value of the biological assets on December 31, 2023:

(in millions of Euros)	**Impacts on the fair value resulting from**	
Significant unobservable impacts	**10% increase**	**10% decrease**
Average annual volume	20	(20)
Average selling price	20	(20)
Discount rate	(8)	9

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are summarised as follows:

(in millions of Euros)	Machinery, equipment and others [(2)]	Land, buildings and improvements	Right of use [(1)]	Construction in progress	Total
Cost					
At January 1, 2023	2,487	756	137	286	3,666
Additions	66	8	20	199	293
Foreign exchange differences	20	4	(1)	3	26
Disposals	(13)	—	(6)	(1)	(20)
Transfer	132	10	—	(142)	—
Other movements	1	—	1	3	5
At December 31, 2023	**2,693**	**778**	**151**	**348**	**3,970**
Accumulated depreciation and impairment losses					
At January 1, 2023	(1,467)	(284)	(56)	—	(1,807)
Depreciation charge of the year [(3)]	(124)	(20)	(17)	—	(161)
Disposals	13	1	6	—	20
Foreign exchange differences	(13)	(4)	—	—	(17)
Other movements	(1)	(1)	—	—	(2)
At December 31, 2023	**(1,592)**	**(308)**	**(67)**	**—**	**(1,967)**
Carrying amount					—
At December 31, 2023	**1,101**	**470**	**84**	**348**	**2,003**
Cost					
At January 1, 2024	2,693	778	151	348	3,970
Additions	57	7	21	86	171
Foreign exchange differences	(98)	(23)	(3)	(22)	(146)
Disposals	(35)	(5)	(2)	—	(42)
Transfer	215	28	—	(243)	—
Scope change [(4)]	—	25	—	—	25
Other movements	1	—	—	3	4
At December 31, 2024	**2,833**	**810**	**167**	**172**	**3,982**
Accumulated depreciation and impairment losses					
At January 1, 2023	(1,592)	(308)	(67)	—	(1,967)
Depreciation charge of the year [(3)]	(130)	(20)	(20)	—	(170)
Impairment loss [(3)]	1	(1)	—	(3)	(3)
Disposals	33	2	2	—	37
Foreign exchange differences	62	14	1	—	77
Other movements	(1)	1	1	—	1
At December 31, 2024	**(1,627)**	**(312)**	**(83)**	**(3)**	**(2,025)**
Carrying amount					—
At December 31, 2024	**1,206**	**498**	**84**	**169**	**1,957**

Notes:
(1) The presentation of Right-of-use assets are also detailed in Note 23 “Leases”.
(2) Bearer plants are included in this section for a net amount of €49 million at end December 31, 2024 and €48 million at end December 31, 2023.
(3) The amount of amortisation, depreciation and impairment of €229 million recorded in the consolidated statement of operations for the year ending December 31, 2024 consists in the depreciation charge of PP&E of €170 million, impairment loss of €3 million, the amount of harvested trees in Biological assets of €51 million (Note 13), and the amortisation charge of intangible assets of €5 million (Note 12), compared to €204 million recorded in the consolidated statement of operations for the year ending December 31, 2023 consists in the depreciation charge of PP&E of €161 million, the amount of harvested trees in Biological assets of €37 million (Note 13), and the amortisation charge of intangible assets of €6 million (Note 12)
(4) Scope change relate to the full consolidation of Bahia Minas BioEnergia Ltda as from July 6, 2024 following a control assessment performed by Management.

As of December 31, 2024, and 2023, temporarily idle assets included in the Stainless & Electrical Steel segment were below €1 million and below €1 million, respectively. There were no temporarily idle assets included in the other segments as of any of the periods presented.

During the year ending December 31, 2024, and in conjunction with its testing of goodwill for impairment, the Company analysed the recoverable amount of its property, plant and equipment. Property, plant and equipment were tested at the Cash Generating Unit (“CGU”) level. In certain instances, the CGU is an integrated manufacturing facility which may also be an operating subsidiary. Furthermore, a manufacturing facility may be operated together with another facility, with neither facility generating cash flows that are largely independent from the cash flows in the other. In this instance, the two facilities are combined for purposes of testing for impairment. As of December 31, 2024 and December 31, 2023, the Company had determined it has nine CGUs. The recoverable amounts of the CGUs are determined based on value in use calculation with application of the discount rates estimated as weighted average cost of capital and follow similar assumptions as those used for the test on impairment for goodwill.

The amount of property, plant and equipment pledged as collateral was €1.4 million as of December 31, 2024 and €1.7 million as of December 31, 2023.

NOTE 15: INVESTMENTS IN ASSOCIATES, JOINT VENTURES AND OTHER

The Company holds the following investments:

		December 31,	
(in millions of Euros)	**Location**	**2024**	**2023**
Equity instruments at fair value through OCI	Various	3	3
Investments accounted for under equity method (1)	Various	1	5
Total investments in associates, joint ventures and other investments		**4**	**8**

Note:
(1) Decrease by €4 million in 2024 mainly due to the change of control in Bahia Minas BioEnergia Ltda detailed in Note 2 “Summary of material accounting policies, critical accounting judgements and change in accounting estimates”.

NOTE 16: OTHER NON CURRENT ASSETS

Other non current assets consisted of the following:

(in millions of Euros)	**December 31, 2024**	**December 31, 2023**
Long-term VAT receivables	53	38
Life insurance policies	13	11
Cash guarantees and deposits	11	12
Pension fund assets (Note 21)	8	16
Receivable from public authorities	6	4
Reimbursement rights (Note 21)	2	2
Other financial assets	13	8
Total	**106**	**91**

NOTE 17: 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)	**December 31, 2024**	**December 31, 2023**
Short-term bank loans and other credit facilities[(1)]	168	274
Current portion of long-term debt	57	70
Lease obligations (Note 23)	19	16
Total	**244**	**360**

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. On June 11, 2024, the size of the programme has been increased by €50 million to reach a new maximum outstanding amount of €250 million. 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 December 31, 2024, an amount of €145 million was drawn under the Aperam NEU commercial paper programme at an interest rate range between 2.99% and 3.82% for the EUR denominated part (€135 million on December 2023 at an interest rate range between 4.05% and 4.34% for the EUR denominated part and 5.84% for the USD).

€500 million 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 26, 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 December 31, 2024, and December 31, 2023, this financial covenant was fully met.

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

€200 million 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 December 31, 2024, and December 31, 2023, this financial covenant was fully met.

On September 9, 2024, Aperam confirmed the extension of the maturity of the Facility by one year, until September 22, 2027.

On December 31, 2024, an amount of €20 million was drawn under the Facility at an interest rate range of 4.27%. On December 31, 2023 an amount of €120 million was drawn under the Facility at an interest rate range between 4.67% and 4.76%.

Long-term debt is comprised of the following:

(in millions of Euros)	**Year of maturity**	**Type of Interest**	**Interest rate[1]**	**December 31, 2024**	**December 31, 2023**
Corporate					
Term facility	2026-2028	Fixed	1.52%	299	299
EIB loan 1	2025-2028	Fixed	1.669%	22	27
EIB loan 2	2025-2029	Fixed	1.307%	63	75
EIB loan 3	2025-2031	Fixed	0.88%	66	75
Schuldscheindarlehen	2025-2026	Fixed	1.20% - 1.50%	40	82
Other debt	n/a	n/a	n/a	1	2
Total				**491**	**560**
Lease obligations [2]				101	100
Less current portion of long-term debt				(57)	(70)
Less current portion of lease obligations [2]				(19)	(16)
Total long-term debt, net of current portion				**516**	**574**

Notes:
(1) Rates applicable to balances outstanding as of December 31, 2024.
(2) Details on Lease obligations in Note 23 Leases

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 contains a financial covenant being a maximum consolidated total debt of 90% of consolidated tangible net worth. On December 31, 2024, and December 31, 2023 this financial covenant was fully met.

The Loan was fully drawn as of December 31, 2024 and December 31, 2023 at a rate of 1.52%.

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 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.

The Loans contain a financial covenant being a maximum consolidated total debt of 90% of consolidated tangible net worth. On December 31, 2024, and December 31, 2023 this financial covenant was fully met.

As of December 31, 2024, €150 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.

The Loan contains financial covenants. On December 31, 2024, and December 31, 2023 these financial covenants were fully met.

As of December 31, 2024, €40 million was outstanding on this *Schuldscheindarlehen* (€82 million as of December 31, 2023)

Scheduled maturities of short-term and long-term debt are as follows:

(in millions of Euros)	**December 31, 2024**	**December 31, 2023**
2024	—	360
2025	244	79
2026	155	146
2027	139	135
2028	136	135
2029	28	79
Subsequent years	58	—
Total	**760**	**934**

The following table presents the structure of the Company's debt and cash in original currencies:

(in millions of Euros)	**In EUR equivalent as of December 31, 2024**				
	Total EUR	**EUR**	**USD**	**BRL**	**Others**
Short-term debt and current portion of long-term debt	244	232	3	6	3
Long-term debt	516	478	26	9	3
Cash and cash equivalents	216	52	40	103	21

(in millions of Euros)	**In EUR equivalent as of December 31, 2023**				
	Total EUR	**EUR**	**USD**	**BRL**	**Others**
Short-term debt and current portion of long-term debt	360	335	3	4	18
Long-term debt	574	536	26	9	3
Cash and cash equivalents	443	312	35	57	39

The following tables summarise the Company's bases used to measure its debt at fair value. Fair value measurement has been classified into three levels based upon a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

	As of December 31, 2024				
(in millions of Euros)	Carrying Amount				Fair Value
		Level 1	Level 2	Level 3	Total
Instruments payable bearing interest at fixed rates	612	—	571	—	571
Instruments payable bearing interest at variable rates	148	—	146	—	146
Total	**760**	**—**	**717**	**—**	**717**

	As of December 31, 2023				
(in millions of Euros)	Carrying Amount				Fair Value
		Level 1	Level 2	Level 3	Total
Instruments payable bearing interest at fixed rates	795	—	735	—	735
Instruments payable bearing interest at variable rates	139	—	133	—	133
Total	**934**	**—**	**868**	**—**	**868**

Fixed rate debt is based on estimated future cash flows which are discounted using current zero coupon rates for the relevant maturities and currencies as well as Aperam's credit spread quotations for the relevant maturities and classified as Level 2. Variable rate debt is based on estimated future cash flows which are discounted using current zero coupon rates for the relevant maturities and currencies as well as Aperam's credit spread quotation (Benchmark sectorial).

The following table summarises the movements on financial liabilities between financing cash flows impacts and other non-cash impacts :

(in millions of Euros)	**Short-term debt and current portion of long-term debt**	**Long-term debt, net of current portion**
Balance at January 1, 2023	258	667
Changes from financing cash flows		
Net proceeds / (payments) of debt	32	(24)
Repayments of lease (Note 23)	(13)	(2)
Total changes from financing cash flows	**19**	**(26)**
Effect of changes in foreign exchange rates	(4)	(1)
New leases during the year (Note 23)	4	16
Other debt	—	1
Reclassification between non-current and current debt	83	(83)
Balance at December 31, 2023	**360**	**574**
Balance at January 1, 2024	360	574
Changes from financing cash flows		
Net proceeds / (payments) of debt	(173)	1
Repayments of lease (Note 23)	(17)	(2)
Total changes from financing cash flows	**(190)**	**(1)**
Effect of changes in foreign exchange rates	(4)	—
New leases during the year (Note 23)	4	17
Reclassification between non-current and current debt	74	(74)
Balance at December 31, 2024	**244**	**516**

For the purposes of preparation of this table interest expenses were ignored as materially equal to interest repayments.

NOTE 18: TRADE AND OTHER ACCOUNTS PAYABLE

Trade payable and other consisted of the following:

(in millions of Euros)	**December 31, 2024**	**December 31, 2023**
Trade accounts payable	790	930
Other amounts payable	212	200
Total	**1,002**	**1,130**

Trade accounts payable

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. Trade accounts payable have maturities during 2024 and 2023 from 2 to 120 days depending on the type of material, the geographic area in which the purchase transaction occurs and the various contractual agreements. The carrying value of trade accounts payable approximates its fair value.

Other amounts payable

The Group may from time to time enter into certain contractual arrangements with some of its suppliers to benefit from extended due dates of payment up to 180 days maximum after the invoice date. The Company has determined that such payment arrangements do not result in significant modifications of amounts payable and other applicable terms and conditions of the agreement. Accordingly, in the consolidated statement of financial position, the corresponding payables remain classified as trade and other accounts payable until they are settled at their agreed due dates, and the corresponding cash flows are classified as part of the operating activities in the consolidated statement of cash flows.

As of December 31, 2024 and 2023, the carrying value of other amounts payable approximates its fair value.

NOTE 19: PROVISIONS

The Company is involved in litigation, arbitration and other legal proceedings. Provisions related to legal and arbitral proceedings are recorded in accordance with the principles described in Note 2 to the Consolidated Financial Statements.

The movements by provision were as follows:

(in millions of Euros)	Balance at January 1, 2023	Additions	Provisions used during the year	Provisions reversed during the year	Foreign Exchange and other movements	Balance at December 31, 2023
Provision for tax and other claims (Note 27)	34	4	(2)	(11)	2	27
Environmental (Note 27)	26	4	(3)	(2)	2	27
Vacating and demolition (Note 27)	6	—	—	—	—	6
Voluntary separation plans	4	2	(1)	(1)	—	4
Other	19	5	(6)	(1)	(2)	15
Total	**89**	**15**	**(12)**	**(15)**	**2**	**79**
Short-term provisions	26					24
Long-term provisions	63					55
Total	**89**					**79**

(in millions of Euros)	Balance at January 1, 2024	Additions	Provisions used during the year	Provisions reversed during the year	Foreign Exchange and other movements	Balance at December 31, 2024
Provision for tax and other claims (Note 27)	27	21	(1)	(10)	(3)	34
Environmental (Note 27)	27	2	(2)	—	1	28
Vacating and demolition (Note 27)	6	—	—	—	1	7
Voluntary separation plans	4	8	(2)	(1)	—	9
Other	15	4	—	(1)	—	18
Total	**79**	**35**	**(5)**	**(12)**	**(1)**	**96**
Short-term provisions	24					41
Long-term provisions	55					55
Total	**79**					**96**

There are uncertainties regarding the timing and amount of the provisions above. Changes in underlying facts and circumstances for each provision could result in differences with the amounts above and the actual outflows.

Provisions for tax and other claims, environmental provisions and vacating and demolition provisions are disclosed in Note 27.

Voluntary separation plans are mainly due to social costs provisions related to programs to promote employee attrition.

Other includes provisions for technical warranties, guarantees and similar obligations.

NOTE 20: ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses were comprised of the following as of:

(in millions of Euros)	**December 31, 2024**	**December 31, 2023**
Accrued payroll and employee related expenses	171	148
Payables for acquisition of intangible assets & property plant & equipment	82	69
VAT and other amounts due to public authorities	33	31
Unearned revenue and accrued payables	11	15
Accrued interests	3	2
Other creditors	39	27
Total	**339**	**292**

NOTE 21: EMPLOYEE BENEFITS

The total net employee benefits as of December 31, 2024 and 2023 are presented as follows in the below table:

(in millions of Euros)	**December 31, 2024**	**December 31, 2023**
Pension fund assets (Note 16)	8	16
Employee Benefits liabilities	(147)	(153)
Total Net Employee Benefits	**(139)**	**(137)**

The Company's operating subsidiaries have different types of pension plans for its employees. Also, some of the operating subsidiaries offer other post-employment benefits, principally retirement indemnities. Limited health care benefits are also offered to some employees in Belgium. The expense associated with these pension plans and employee benefits, as well as the carrying amount of the related liability / asset on the statements of financial position are based on a number of assumptions and factors.

Statement of Financial Position

Together with plans and obligations that do not constitute pension or other post-employment benefits, the total employee benefits are as follows :

(in millions of Euros)	**December 31, 2024**	**December 31, 2023**
Pension plan benefits liabilities	*(83)*	*(88)*
Pension fund assets (Note 16)	*8*	*16*
Net Pension Plan	(75)	(72)
Other post-employment benefits	(38)	(38)
Early retirement benefits	(26)	(27)
Other long-term employee benefits	—	—
Total Net Employee Benefits	**(139)**	**(137)**
Reimbursement rights (Note 16)	2	2
Total Net Employee Benefits and reimbursement rights	**(137)**	**(135)**

Pension Plans

A summary of the significant defined benefit pension plans is as follows:

Brazil

Brazilian entities have defined contribution ("DC") plans that are financed by employer and employee contributions. The prior defined benefit ("DB") plans, financed through trust funds, have been closed to new entrants and are covering mostly liabilities for retirees. For the time being, assets in the funds are sufficient to cover liabilities and Aperam is not contributing. Aperam is not allowed to recover the excess of assets in these funds.

Europe

Certain European operating subsidiaries maintain primarily unfunded defined benefit pension plans for a certain number of employees. Benefits are based on such employees' length of service and applicable pension table under the terms of individual agreements. Some of these unfunded plans have been closed to new entrants and replaced by defined contribution pension plans for active members financed by employer and employee contributions.

The majority of the funded defined benefit payments (mainly Brazil) provide benefit payments from external fully insured assets. Aperam also sponsors a number of unfunded plans where the Company meets the benefit payment obligation as it falls due.

Aperam has maintained significant defined benefit (DB) pension plans in the following major countries:

- In France, for covering the liabilities for retirement indemnities for all active employees and for the closed pension plan IRUS ("*Institution de Retraite Usinor Sacilor*") with no more active employees. There are no separate assets to cover these liabilities.

- In Germany, covering mostly retired employees and with no separate assets.

- In Belgium, there are several pension arrangements (DB and DC-Defined Contribution plans with guaranteed interest) funded through separate insured assets under group insurances. Most of the insured plans have assets in Branch 21 (with a guaranteed return and potentially profit sharing) and there are also insured plans in Branch 23 which assets are invested in funds. For time being, for the DC plans the return on assets obtained (guaranteed interest rates plus profit sharing or return on investments) are sufficient to honour the minimum guaranteed interest rates to which Aperam is liable under plan rules and Belgian legislation.

Aperam Recycling

Aperam Recycling recognises defined benefit obligations for benefit programmes inherited from the acquisition of ELG Group in 2021. These programmes consist of both defined contribution and defined benefit pension systems. For the defined contribution pension plans, there is no additional obligation beyond the payment of contributions. The pension obligations are largely attributable to Germany, UK and the USA and the characteristics specific to these countries are described below.

In Germany, obligations are financed through provisions. The British and American defined benefit pension obligations are largely financed through plan assets (UK) and life insurance investments (USA). The investment strategies and minimum assets allocation are regularly reviewed.

The following tables detail the reconciliation of defined benefit obligation and plan assets in the consolidated statement of financial position.

(in millions of Euros)	2024 Total	Americas	Europe
Change in benefit obligation			
Benefit obligation at beginning of the year	(305)	(96)	(209)
Service cost	(6)	—	(6)
Interest cost	(15)	(8)	(7)
Actuarial losses	21	13	8
Demographic assumptions	*(1)*	—	*(1)*
Financial assumptions	*21*	*16*	*5*
Experience adjustments	*1*	*(3)*	*4*
Benefits paid	18	7	11
Foreign currency exchange rate differences and other movements	12	13	(1)
Benefit obligation at end of the year	**(275)**	**(71)**	**(204)**
Actives	*(135)*	*(4)*	*(131)*
Terminated vested	*(28)*	—	*(28)*
Retirees	*(112)*	*(67)*	*(45)*
Benefit obligation at end of the year	**(275)**	**(71)**	**(204)**
Change in plan assets			
Fair value of plan assets at beginning of the year	272	136	136
Interest income on plan assets	16	11	5
Return on plan assets greater than discount rate	(21)	(11)	(10)
Employer contributions	9	1	8
Benefits paid	(14)	(7)	(7)
Foreign currency exchange rate differences and other movements	(21)	(22)	1
Fair value of plan assets at end of the year	**241**	**108**	**133**
Present value of wholly or partly funded obligation	(194)	(64)	(130)
Fair value of plan assets	241	108	133
Net present value of wholly or partly funded obligation	**47**	**44**	**3**
Present value of unfunded obligation	(81)	(7)	(74)
Prepaid due to unrecoverable surpluses	(41)	(41)	—
Recognised net liabilities	**(75)**	**(4)**	**(71)**
Change in unrecoverable surplus			
Unrecoverable surplus at beginning of the year	38	38	—
Interest cost on unrecoverable surplus	3	3	—
Change in unrecoverable surplus in excess of interest	5	5	—
Exchange rates changes	(5)	(5)	—
Unrecoverable surplus at end of the year	**41**	**41**	**—**

(in millions of Euros)	Total	Americas	2023 Europe
Change in benefit obligation			
Benefit obligation at beginning of the year	(271)	(79)	(192)
Service cost	(6)	—	(6)
Interest cost	(16)	(8)	(8)
Actuarial gains	(24)	(12)	(12)
Demographic assumptions	*1*	—	*1*
Financial assumptions	*(20)*	*(7)*	*(13)*
Experience adjustments	*(5)*	*(5)*	—
Benefits paid	16	7	9
Foreign currency exchange rate differences and other movements	(4)	(4)	—
Benefit obligation at end of the year	**(305)**	**(96)**	**(209)**
Actives	*(138)*	*(4)*	*(134)*
Terminated vested	*(28)*	—	*(28)*
Retirees	*(139)*	*(92)*	*(47)*
Benefit obligation at end of the year	**(305)**	**(96)**	**(209)**
Change in plan assets			
Fair value of plan assets at beginning of the year	245	122	123
Interest income on plan assets	19	14	5
Return on plan assets less than discount rate	6	2	4
Employer contributions	8	—	8
Benefits paid	(12)	(7)	(5)
Foreign currency exchange rate differences and other movements	6	5	1
Fair value of plan assets at end of the year	**272**	**136**	**136**
Present value of wholly or partly funded obligation	(219)	(90)	(129)
Fair value of plan assets	272	136	136
Net present value of wholly or partly funded obligation	**53**	**46**	**7**
Present value of unfunded obligation	(87)	(6)	(81)
Prepaid due to unrecoverable surpluses	(38)	(38)	—
Recognised net liabilities	**(72)**	**2**	**(74)**
Change in unrecoverable surplus			
Unrecoverable surplus at beginning of the year	41	41	—
Interest cost on unrecoverable surplus	5	5	—
Change in unrecoverable surplus in excess of interest	(8)	(8)	—
Exchange rates changes	—	—	—
Unrecoverable surplus at end of the year	**38**	**38**	**—**

Asset ceiling

In accordance with IFRS, assets recognised for a defined benefit plan are limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan. The amount not recognised in the fair value of plan assets due to the asset ceiling was €39 million and €38 million at December 31, 2024, and 2023, respectively.

Other post-employment benefits

The Company’s entities located in France and Belgium provide Other Post-Employment Benefits (“OPEB”) to future retirees. The following tables detail the reconciliation of OPEB and plan assets in the consolidated statement of financial position.

(in millions of Euros)	Year Ending December 31, 2024 Total	Americas	Europe
Change in post-employment benefit obligation			
Benefit obligation at beginning of year	(38)	—	(38)
Service cost	(2)	—	(2)
Interest cost	(1)	—	(1)
Actuarial losses	1	—	1
Demographic assumptions	—	—	—
Financial assumptions	*1*	—	*1*
Experience adjustments	—	—	—
Benefits paid	2	—	2
Benefit obligation at end of year	**(38)**	**—**	**(38)**
Actives	*(38)*	—	*(38)*
Terminated vested	—	—	—
Retirees	—	—	—
Benefit obligation at end of year	**(38)**	**—**	**(38)**
Fair value of assets	—	—	—
Present value of funded obligation	—	—	—
Fair value of plan assets	—	—	—
Net present value of funded obligation	—	—	—
Present value of unfunded obligation	(38)	—	(38)
Recognised liabilities	**(38)**	**—**	**(38)**

(in millions of Euros)	Year Ending December 31, 2023 Total	Americas	Europe
Change in post-employment benefit obligation			
Benefit obligation at beginning of year	(36)	—	(36)
Service cost	(2)	—	(2)
Interest cost	(1)	—	(1)
Actuarial gains	(2)	—	(2)
Demographic assumptions	—	—	—
Financial assumptions	*(2)*	—	*(2)*
Experience adjustments	—	—	—
Benefits paid	3	—	3
Benefit obligation at end of year	**(38)**	**—**	**(38)**
Actives	*(38)*	—	*(38)*
Terminated vested	—	—	—
Retirees	—	—	—
Benefit obligation at end of year	**(38)**	**—**	**(38)**
Fair value of assets	—	—	—
Present value of funded obligation	—	—	—
Fair value of plan assets	—	—	—
Net present value of funded obligation	—	—	—
Present value of unfunded obligation	(38)	—	(38)
Recognised liabilities	**(38)**	**—**	**(38)**

Reimbursement rights

Reimbursement rights arising from reinsurance contracts covering retirement pensions, death and disability benefits in Germany amount to €2 million as of December 31, 2024 and €2 million as of December 31, 2023.

Plan Assets

The weighted average asset allocations by asset category in Americas were as follows:

	December 31, 2024	**December 31, 2023**
Equity Securities	1%	1%
Asset classes that have a quoted market price in an active market	*1%*	*1%*
Asset classes that do not have a quoted market price in an active market	*—%*	*—%*
Fixed Income (including cash)	86%	87%
Asset classes that have a quoted market price in an active market	*86%*	*87%*
Asset classes that do not have a quoted market price in an active market	*—%*	*—%*
Real Estate	1%	2%
Asset classes that do not have a quoted market price in an active market	*1%*	*2%*
Asset classes that have a quoted market price in an active market	*—%*	*—%*
Other	12%	10%
Total	**100%**	**100%**

The weighted average asset allocations by asset category in Europe were as follows:

	December 31, 2024	**December 31, 2023**
Equity Securities	—%	3%
Asset classes that have a quoted market price in an active market	*—%*	*3%*
Asset classes that do not have a quoted market price in an active market	*—%*	*—%*
Fixed Income (including cash)	—%	22%
Asset classes that have a quoted market price in an active market	*—%*	*22%*
Asset classes that do not have a quoted market price in an active market	*—%*	*—%*
Real Estate	1%	1%
Asset classes that do not have a quoted market price in an active market	*1%*	*1%*
Asset classes that have a quoted market price in an active market	*—%*	*—%*
Other	99%	74%
Total	**100%**	**100%**

The assets related to the funded defined benefit pension plans in Europe are related to insured contracts in Belgium and to a pension trust in the UK, and in Americas invested mainly in government and corporate bonds. These assets do not include any direct investment in Aperam or in property or other assets occupied or used by Aperam and hence classified under other asset category above. This does not exclude Aperam shares included in mutual fund investments.

The Remuneration Committee of the Board of Directors for the respective operating subsidiaries has general supervisory authority over the respective trust funds.

Weighted average assumptions used to determine benefit obligations:

	Pension Plans		Other Post-Employment Benefits	
	December 31,		December 31,	
	2024	2023	2024	2023
	Discount rate			
Range (1)	3.25%-11.30%	3.25%-9.09%	3.50%	3.25%
Weighted average	5.48%	5.16%	3.50%	3.25%
	Rate of compensation increase			
Range (1)	2.00%-5.05%	2.00%-4.73%	2.00%	2.00%-3.05%
Weighted average	1.91%	2.05%	2.00%	2.00%
	Average longevity at retirement age for current pensioners (years)			
Males	22.232	22.265	n/a	n/a
Females	26.191	26.412	n/a	n/a

Note:
(1) Rates denominated in the functional currency of the related Company's subsidiaries.

Cash Contributions

Cash contributions to the defined contribution plans, sponsored by the Company, were €2 million and €2 million in 2024 and 2023, respectively. Cash contributions in respect of defined contribution plans and other pension plans to be made during the year ending December 31, 2025 are expected to be similar to 2024.

Maturity profile of the defined benefits plans

On December 31, 2024, the weighted average durations of the pension and other post-employment benefits plans were 9 years and 7 years, respectively.

On December 31, 2023, the weighted average durations of the pension and other post-employment benefits plans were 13 years and 7 years, respectively.

Risks associated with defined benefit plans

Through its defined benefit pension plans and OPEB plans, Aperam is exposed to a number of risks, the most significant of which are detailed below:

Change in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan’s bond holdings.

Investment risk

The present value of the defined plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. For Aperam’s funded plans, plan assets hold a significant portion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. Due to the long-term nature of the plan liabilities, the Company considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the plans.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Sensitivity analysis

The following information illustrates the sensitivity to a change in certain assumptions related to the Company's operating subsidiaries' pension plans (as of December 31, 2024 and December 31, 2023, the defined benefit obligation ("DBO") for pension plans were €275 million and €305 million):

(in millions of Euros)	**Effect on 2024 Pre-Tax Pension Expense (sum of service cost and interest cost) (1)**	**Effect of December 31, 2024 DBO**
Change in assumption		
100 basis point decrease in discount rate	1	(24)
100 basis point increase in discount rate	(1)	24
1-year increase of the expected life of the beneficiaries	—	(4)
1-year decrease of the expected life of the beneficiaries	—	4

Note:
(1) Effects of change in assumptions on 2024 Pre-Tax pension expense were below €1 million

(in millions of Euros)	**Effect on 2023 Pre-Tax Pension Expense (sum of service cost and interest cost) (1)**	**Effect of December 31, 2023 DBO**
Change in assumption		
100 basis point decrease in discount rate	1	(31)
100 basis point increase in discount rate	(1)	28
1-year increase of the expected life of the beneficiaries	—	(6)
1-year decrease of the expected life of the beneficiaries	—	6

Note:
(1) Effects of change in assumptions on 2023 Pre-Tax pension expense were below €1 million.

Reasonable change in assumptions of OPEB plans does not lead to significant change in the related liability as of December 31, 2024 and 2023.

The above sensitivities reflect the effect of changing one assumption at a time. Actual economic factors and conditions often affect multiple assumptions simultaneously, and the effects of changes in key assumptions are not necessarily linear. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

NOTE 22: EQUITY

Authorised shares

On February 2, 2023, and in accordance with the resolution of the Extraordinary General Meeting held on May 4, 2022, the Company decreased its authorised share capital by €1,355,420, equivalent to 289,971 shares. Following this decrease, the total authorised share capital (including its issued share capital) was €460,124,733 represented by 87,810,071 shares without nominal value.

On May 23, 2024, and in accordance with the resolution of the Extraordinary General Meeting held on May 2, 2023, 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, 2022, the share capital amounted to €419,030,922, represented by an aggregate number of 79,996,280 shares issued and fully paid up. The amount of shares outstanding was 72,183,690, with no par value, for a total amount of €378 million.

On February 7, 2023, following the decision of the Extraordinary General Meeting of May 7, 2019, to cancel issued shares acquired under the share buyback programme announced on July 30, 2021, the Company cancelled 1,959,592 issued shares acquired under the programme. The share capital decreased consequently from €419,030,922 to €408,912,245.

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 December 31, 2024, the Company has 73,184,570 shares issued and 72,289,307 shares outstanding, with no par value, for a total amount of €379 million.

To the knowledge of the Board of Directors, the shareholding [(1)] may be specified as follows:

	December 31, 2024	December 31, 2023
Significant Shareholder [(2)]	40.33%	37.82%
Treasury shares [(3)]	1.22%	7.42%
Other public shareholders	58.45%	54.76%
Total	**100.00%**	**100.00%**

Notes:
(1) Shareholding disclosed in the above table relates to shareholders owning 5% or more of the share capital.
(2) Please refer to the share capital section of the Management Report for the definition of the term "Significant shareholder”.
(3) Treasury shares of 1.22% as of December 31, 2024 includes 895,263 shares held by Aperam S.A. when treasury shares of 7.42% as of December 31, 2023 includes 5,711,848 shares held by Aperam HoldCo S.à r.l. and 75,633 shares held by Aperam S.A.

Treasury shares

Share buy-back

On February 7, 2023, 1,959,592 shares acquired under the 2021 share buyback programme were cancelled in line with the announced purpose of the programme.

Share unit plans

During 2023, a total of 65,517 shares (84,771 shares, net of 19,254 shares retained for tax purposes) were allocated to qualifying employees under the PSU plan granted in June 2020.

During the year 2024, 40,100 own shares (49,476 shares, net of 9,376 shares retained for tax purposes) have been given to certain employees of the Company to serve the PSU and RSU Plans 2021.

Aperam held 895,263 and 5,787,481 treasury shares as of December 31, 2024, and 2023, respectively.

Dividends

On May 2, 2023, at the 2023 Annual General Meeting, the shareholders approved a base dividend of €2.00 (gross) per share. The dividend was paid in four equal quarterly instalments of €0.50 (gross) per share.

On April 30, 2024, at the 2024 Annual General Meeting, the shareholders approved a base dividend of €2.00 (gross) per share. The dividend was paid in four equal quarterly instalments of €0.50 (gross) per share.

Share Unit Plan

On July 12, 2011, the ordinary general meeting of shareholders approved an equity-based incentive plan to key employees of Aperam. The plan comprised a Restricted Share Unit Plan (“RSU Plan”) and a Performance Share Unit Plan (“PSU Plan”) designed to incentivise the targeted employees, to improve the long-term performance of the Company and to retain key employees. Both the RSU Plan and the PSU Plan were intended to promote the alignment of interests between the Company’s shareholders and eligible employees by allowing them to participate in the success of the Company.

The RSU and PSU plans shall vest in full on the three-year anniversary of the date on which the award was granted contingent upon the continued active employment of the employee within the Group. The aim of the RSU Plan was to provide a retention incentive to eligible employees by allocating for free one Company share at vesting date. The RSUs were an integral part of the Company’s remuneration framework in which it serves the specific objective of medium-term and long-term retention.

The main objective of the PSU Plan is to be an effective performance-enhancing scheme based on the achievement of the Company’s strategy on which up to two Company shares can be freely vested.

The maximum number of shares available for grant is subject to the prior approval of the Company’s shareholders at the annual general meeting, such approval being valid until the next annual general meeting.

The allocation of equity based incentives to eligible employees under the RSU Plan and the PSU Plan is reviewed by the Remuneration, Nomination and Corporate Governance Committee of the Board of Directors, which makes a proposal and recommendation to the full Board of Directors.

The following table summarises the Company's share unit plans outstanding on December 31, 2024:

At Grant date						Number of units issued as of December 31, 2024		
Grant date	**Type of plan**	**Number of units**	**Number of beneficiaries**	**Maturity**	**Fair value per units (in €)**	**Units outstanding**	**Units vested**	**Units forfeited**
Jun 14, 2021	PSU	54,336	28	Jun 14, 2024	43.18	—	(54,089)	(247)
Jun 14, 2021	RSU	39,325	44	Jun 14, 2024	43.18	—	(38,048)	(1,277)
Jun 1, 2022	PSU	66,815	32	Jun 1, 2025	38.83	64,358	—	(2,457)
Jun 1, 2022	RSU	43,425	58	Jun 1, 2025	38.83	39,568	—	(3,857)
Jun 1, 2023	PSU	88,146	36	Jun 1, 2026	33.25	86,346	—	(1,800)
Jun 1, 2023	RSU	97,750	100	Jun 1, 2026	33.25	94,150	—	(3,600)
Jun 3, 2024	PSU	141,176	39	Jun 3, 2027	27.52	141,176	—	—
Jun 3, 2024	RSU	103,600	102	Jun 3, 2027	27.52	102,800	—	(800)
TOTAL		**634,573**				**528,398**	**(92,137)**	**(14,038)**

The following table summarizes the Company's share unit plans outstanding on December 31, 2023:

At Grant date						Number of units issued as of December 31, 2023		
Grant date	**Type of plan**	**Number of units**	**Number of beneficiaries**	**Maturity**	**Fair value per units (in €)**	**Units outstanding**	**Units vested**	**Units forfeited**
Jun 1, 2020	PSU	101,806	29	Jun 1, 2023	21.58	—	(91,318)	(10,488)
Jun 1, 2020	RSU	54,060	42	Jun 1, 2023	21.58	—	(46,753)	(7,307)
Jun 14, 2021	PSU	54,336	28	Jun 14, 2024	43.18	54,089	—	(247)
Jun 14, 2021	RSU	39,325	44	Jun 14, 2024	43.18	38,048	—	(1,277)
Jun 1, 2022	PSU	66,815	32	Jun 1, 2025	38.83	65,708	—	(1,107)
Jun 1, 2022	RSU	43,425	58	Jun 1, 2025	38.83	40,918	—	(2,507)
Jun 1, 2023	PSU	88,146	36	Jun 1, 2026	33.25	88,146	—	—
Jun 1, 2023	RSU	97,750	100	Jun 1, 2026	33.25	97,750	—	—
TOTAL		**545,663**				**384,659**	**(138,071)**	**(22,933)**

The fair value of the units allocated to the beneficiaries is recorded as an expense in the consolidated statements of operations (selling, general and administrative expenses) over the relevant vesting or service periods. The compensation expense recognised for the performance and restricted stock units was €(4) million and €(3) million for the years ending December 31, 2024, and 2023, respectively.

Share unit plan activity is summarised below as of and for each year ending December 31, 2024 and 2023:

	RSUs		PSUs	
	Number of units	**Fair value per units (€)**	**Number of units**	**Fair value per units (€)**
Outstanding Jan 1, 2023	**128,473**	**33.85**	**212,469**	**32.53**
Granted	97,750	33.25	88,146	33.25
Vested	(46,753)	21.58	(91,318)	21.58
Forfeited	(2,754)	39.22	(1,354)	39.62
Outstanding Dec 31, 2023	**176,716**	**36.68**	**207,943**	**37.60**
Granted	103,600	27.52	141,176	27.52
Vested	(38,048)	43.18	(54,089)	43.18
Forfeited	(5,750)	33.76	(3,150)	35.64
Outstanding Dec 31, 2024	**236,518**	**31.69**	**291,880**	**31.71**

Earnings per common share

(in millions of Euros)	Year Ending December 31, 2024	2023
Net income considered for the purposes of basic earnings per share	**231**	**203**
Net income considered for the purposes of diluted earnings per share	**231**	**203**
Weighted average common shares outstanding (in millions) for the purposes of basic earnings per share	**72.3**	**72.2**
Incremental shares from assumed conversion of stock options, restricted share units and performance share units	0.5	0.6
Weighted average common shares assuming conversions (in millions) used in the calculation of diluted earnings per share	**72.8**	**72.8**
Earnings per common share (in Euros)		
Basic	3.20	2.81
Diluted	3.17	2.79

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The group's objectives when managing capital are to:
• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
• maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital using a ratio of Net Financial Debt divided by Equity attributable to the equity holders of the parent which is called gearing ratio. Net Financial Debt refers to long-term debt, plus short-term debt, less cash and cash equivalents.

The gearing ratio at end of the reporting period was as follows :

(in millions of Euros)	December 31, 2024	December 31, 2023
Long-term debt	516	574
Short-term debt	244	360
Cash and cash equivalents	(216)	(443)
Net financial debt	**544**	**491**
Equity	3,354	3,442
Gearing	**16%**	**14%**

No changes were made in the objectives, policies or processes for managing capital during the years ending December 31, 2024 and 2023 and the Group maintained appropriate target ratio for gearing ratio.

NOTE 23: LEASES

The Group has lease contracts for various items of land and buildings, machinery and equipment used in its operations. The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

(in millions of Euros)	**Machinery, equipment and others**	**Land, buildings and improvements**	**Total right-of-use assets**
Cost			
At January 1, 2023	62	75	137
Additions	11	9	20
Foreign exchange differences	—	(1)	(1)
Disposals	(4)	(2)	(6)
Other movements	—	1	1
At December 31, 2023	**69**	**82**	**151**
Accumulated depreciation			
At January 1, 2023	(40)	(16)	(56)
Depreciation charge of the year	(10)	(7)	(17)
Disposals	4	2	6
Foreign exchange differences	—	—	—
Other movements	—	—	—
At December 31, 2023	**(46)**	**(21)**	**(67)**
Carrying amount			
At December 31, 2023	**23**	**61**	**84**
Cost			
At January 1, 2024	69	82	151
Additions	18	3	21
Foreign exchange differences	(3)	—	(3)
Disposals	(1)	(1)	(2)
Other movements	—	—	—
At December 31, 2024	**83**	**84**	**167**
Accumulated depreciation			
At January 1, 2024	(46)	(21)	(67)
Depreciation charge of the year	(12)	(8)	(20)
Disposals	1	1	2
Foreign exchange differences	1	—	1
Other movements	—	1	1
At December 31, 2024	**(56)**	**(27)**	**(83)**
Carrying amount			
At December 31, 2024	**27**	**57**	**84**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(in millions of Euros)	**Lease liabilities**
Balance at January 1, 2023	**97**
Additions	20
Foreign exchange differences	(2)
Payments	(15)
Balance at December 31, 2023	**100**
Current	16
Non-current	84
Balance at January 1, 2024	**100**
Additions	21
Foreign exchange differences	(1)
Payments	(19)
Balance at December 31, 2024	**101**
Current	19
Non-current	82

Scheduled maturities of lease debt are as follows:

(in millions of Euros)	**December 31, 2024**
2025	19
2026	18
2027	11
2028	9
2029	6
Subsequent years	38
Total	**101**

(in millions of Euros)	**December 31, 2023**
2024	16
2025	22
2026	9
2027	7
2028	7
Subsequent years	39
Total	**100**

The following amounts are recognised in the consolidated statement of operations:

(in millions of Euros)	**2024**	**2023**
Depreciation expense of right-of-use assets	(20)	(17)
Interest expense on lease liabilities	(6)	(7)
Expense relating to short-term leases (included in cost of sales)	(16)	(16)
Expense relating to leases of low-value assets (included in cost of sales)	—	(1)
Total amount recognised in profit or loss	**(42)**	**(41)**

NOTE 24: 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. For financial assets and financial liabilities measured at amortised cost, their carrying amount approximates their fair value at the reporting date, except for debt for which fair value is disclosed in Note 17.

The following table summarises assets and liabilities based on their categories as of December 31, 2024.

(in millions of Euros)	Carrying amount in statements of financial position	Non-financial assets and liabilities	Assets at amortised cost	Liabilities at amortised cost	Assets/Liabilities at fair value	
					Fair value recognised in profit and loss	Equity instruments at Fair Value through OCI
ASSETS						
Current assets:						
Cash and cash equivalents	216	—	216	—	—	—
Restricted cash	—	—	—	—	—	—
Trade accounts receivable	342	10	332	—	—	—
Inventories	2,159	2,159		—	—	—
Prepaid expenses and other current assets	107	79	28	—	—	—
Derivative financial current assets	32	—	—	—	32	—
Income tax receivable	18	18	—	—	—	—
Total current assets	**2,874**	**2,266**	**576**	**—**	**32**	**—**
Non-current assets:						
Goodwill and intangible assets	427	427	—	—	—	—
Biological assets	94	—	—	—	94	—
Property, plant and equipment	1,957	1,957	—	—	—	—
Investments in associates and joint ventures	—	—	—	—	—	—
Other investments	4	—	—	—	—	4
Deferred tax assets	351	351	—	—	—	—
Derivative financial non-current assets	—	—	—	—	—	—
Other non-current assets	133	122	11	—	—	—
Total non-current assets	**2,966**	**2,857**	**11**	**—**	**94**	**4**
Total assets	**5,840**	**5,123**	**587**	**—**	**126**	**4**
LIABILITIES AND EQUITY						
Current liabilities:						
Short-term debt and current portion of long-term debt	244	—	—	244	—	—
Trade accounts payable	1,002	17	—	985	—	—
Short-term provisions	41	41	—	—	—	—
Accrued expenses and other liabilities	339	44	—	295	—	—
Derivative financial current liabilities	29	—	—	—	29	—
Income tax liabilities	10	10	—	—	—	—
Total current liabilities	**1,665**	**112**	**—**	**1,524**	**29**	**—**
Non-current liabilities:						
Long-term debt, net of current portion	516	—	—	516	—	—
Deferred tax liabilities	80	80	—	—	—	—
Employee benefits	147	147	—	—	—	—
Long-term provisions	55	55	—	—	—	—
Derivative financial non-current liabilities	3	—	—	—	3	—
Other long-term obligations	8	—	—	8	—	—
Total non-current liabilities	**809**	**282**	**—**	**524**	**3**	**—**
Equity:						
Equity attributable to the equity holders of the parent	3,354	3,354	—	—	—	—
Non-controlling interests	12	12	—	—	—	—
Total equity	**3,366**	**3,366**	**—**	**—**	**—**	**—**
Total liabilities and equity	**5,840**	**3,760**	**—**	**2,048**	**32**	**—**

The following table summarises assets and liabilities based on their categories as of December 31, 2023.

(in millions of Euros)	Carrying amount in statements of financial position	Non-financial assets and liabilities	Assets at amortised cost	Liabilities at amortised cost	Assets/Liabilities at fair value	
					Fair value recognised in profit and loss	**Equity instruments at Fair Value through OCI**
ASSETS						
Current assets:						
Cash and cash equivalents	443	—	443	—	—	—
Restricted cash	3	—	3	—	—	—
Trade accounts receivable	429	66	363	—	—	—
Inventories	2,281	2,281		—	—	—
assets	111	75	36	—	—	—
Derivative financial current assets	23	—	—	—	23	—
Income tax receivable	9	9	—	—	—	—
Total current assets	**3,299**	**2,431**	**845**	**—**	**23**	**—**
Non-current assets:						
Goodwill and intangible assets	452	452	—	—	—	—
Biological assets	108	—	—	—	108	—
Property, plant and equipment	2,003	2,003	—	—	—	—
ventures	5	5	—	—	—	—
Other investments	3	—	—	—	—	3
Deferred tax assets	213	213	—	—	—	—
assets	2	—	—	—	2	—
Other non-current assets	129	117	12	—	—	—
Total non-current assets	**2,915**	**2,790**	**12**	**—**	**110**	**3**
Total assets	**6,214**	**5,221**	**857**	**—**	**133**	**3**
LIABILITIES AND EQUITY						
Current liabilities:						
Short-term debt and current portion of long-term debt	360	—	—	360	—	—
Trade accounts payable	1,130	14	—	1,116	—	—
Short-term provisions	24	24	—	—	—	—
liabilities	292	45	—	247	—	—
Derivative financial current liabilities	29	—	—	—	29	—
Income tax liabilities	16	16	—	—	—	—
Total current liabilities	**1,851**	**99**	**—**	**1,723**	**29**	**—**
Non-current liabilities:						
portion	574	—	—	574	—	—
Deferred tax liabilities	115	115	—	—	—	—
Employee benefits	153	153	—	—	—	—
Long-term provisions	55	55	—	—	—	—
Derivative financial non-current liabilities	2	—	—	—	2	—
Other long-term obligations	14	—	—	14	—	—
Total non-current liabilities	**913**	**323**	**—**	**588**	**2**	**—**
Equity:						
Equity attributable to the equity holders of the parent	3,442	3,442	—	—	—	—
Non-controlling interests	8	8	—	—	—	—
Total equity	**3,450**	**3,450**	**—**	**—**	**—**	**—**
Total liabilities and equity	**6,214**	**3,872**	**—**	**2,311**	**31**	**—**

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

(in millions of Euros)	Level 1	Level 2	Level 3	Total
	As of December 31, 2024			
Assets at fair value:				
Biological assets	—	—	94	94
Investments in associates, joint ventures and other investments	—	—	3	3
Derivative financial assets	—	32	—	32
Total assets at fair value	**—**	**32**	**97**	**129**
Liabilities at fair value:				
Derivative financial liabilities	—	32	—	32
Total liabilities at fair value	**—**	**32**	**—**	**32**

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

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 financial statements.

The following tables summarised the reconciliation of the fair value of the assets and liabilities classified as Level 3 for the year ending December 31, 2024:

(in millions of Euros)	**Equity instruments at fair value through OCI**	**Investments accounted for under equity method**	**Total**
Balance as of December 31, 2023	3	5	8
Additions	—	—	—
Equity method result	—	—	—
Change of control	—	(4)	(4)
Change in fair value(1)	—	—	—
Balance as of December 31, 2024	**3**	**1**	**4**

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

For more information on Biological assets, please refer to Note 13.

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.

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 December 31, 2024, is as follows:

(in millions of Euros)	Assets Notional Amount	Assets Fair Value	Liabilities Notional Amount	Liabilities Fair Value
Foreign exchange rate instruments				
Forward purchase contracts	902	24	28	—
Forward sale contracts	141	1	800	(17)
Total foreign exchange rate instruments		**25**		**(17)**
Raw materials (base metal)				
Term contracts sales metals	81	7	4	—
Term contracts purchases metals	2	—	124	(11)
Total raw materials (base metal)		**7**		**(11)**
Interest rate instruments				
Interest rate swaps	90	—	110	(4)
Total interest rate instruments		**—**		**(4)**
Total		**32**		**(32)**

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

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

Exchange rate risk

The Company is exposed to fluctuations in foreign exchange rates due to a substantial portion of the Company's assets, liabilities, sales and earnings being denominated in currencies other than the Euro (its presentation currency). These currency fluctuations, especially the fluctuation of the value of the Euro relative to the U.S. dollar, Brazilian real, as well as fluctuations in the other countries' currencies in which the Company has significant operations and/or sales, could have a material impact on its results of operations.

Following its Treasury and Financial Risk Management Policy, the Company hedges its net exposure to exchange rates through spot and derivative transactions. The Company follows this exposure through sensitivity analysis detailed below.

Credit risk

The credit risk is managed by the Company's treasury department. Credit risk arises from cash and cash equivalents and restricted cash, as well as credit exposures to customers, including outstanding receivables and other instruments that amounted to €548 million as of December 31, 2024 (€809 million as of December 31, 2023). For more details about ECL measurement, refer to Note 9.

Interest rate risk

The Company can be exposed to fluctuations in interest rates, mostly on debts denominated in Euro and U.S. dollars. Such interest rate fluctuations have limited impact on its results of operations thanks to a balanced mix of fixed and floating interest rates on debts. At the time of attracting new debt, the Group use its judgment to decide whether it believes that a fixed or floating rate would be more favourable to the Group over the expected period until maturity. Refer to Note 17 and below for information about maturity dates and effective interest rates of financial instruments.

Following its Treasury and Financial Risk Management Policy, the Company hedges, from time to time, its net exposure to interest rates through derivative transactions.

Liquidity Risk

The Company's principal sources of liquidity are cash generated from its operations, bank debt and credit lines and various working capital credit lines at its operating subsidiaries. The levels of cash, credit lines and debt are closely monitored and appropriate actions are taken in order to manage the maturity profile and currency mix.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

(in millions of Euros)	December 31, 2024					
	Carrying Amount	**Contractual Cash Flows**	**Less than 1 year**	**1-2 Years**	**2-5 Years**	**More than 5 Years**
Non-derivative financial liabilities						
Trade payables	(1,002)	(1,002)	(1,002)	—	—	—
Short and long-term debt	(760)	(783)	(256)	(161)	(309)	(57)
Accrued expenses and other liabilities	(3)	(18)	(1)	(1)	(2)	(14)
Total	**(1,765)**	**(1,803)**	**(1,259)**	**(162)**	**(311)**	**(71)**
Derivative financial liabilities						
Foreign exchange contracts	(17)	(17)	(17)	—	—	—
Other commodities contracts	(11)	(11)	(11)	—	—	—
Interest rate contracts	(4)	(4)	(1)	(3)		
Total	**(32)**	**(32)**	**(29)**	**(3)**	**—**	**—**

(in millions of Euros)	December 31, 2023					
	Carrying Amount	**Contractual Cash Flows**	**Less than 1 year**	**1-2 Years**	**2-5 Years**	**More than 5 Years**
Non-derivative financial liabilities						
Trade payables	(1,130)	(1,130)	(1,130)	—	—	—
Short and long-term debt	(934)	(967)	(375)	(87)	(426)	(79)
Total	**(2,064)**	**(2,097)**	**(1,505)**	**(87)**	**(426)**	**(79)**
Derivative financial liabilities						
Foreign exchange contracts	(10)	(10)	(10)	—	—	—
Other commodities contracts	(21)	(21)	(19)	(2)	—	—
Total	**(31)**	**(31)**	**(29)**	**(2)**	**—**	**—**

Cash flow hedges

The following table presents the periods in which cash flows hedges are expected to mature:

	December 31, 2024 (outflows)/inflows					
(in millions of Euros)	**Carrying Amount**	**3 months and less**	**3-6 months**	**6-12 months**	**1-2 years**	**More than 2 years**
Commodities	(2)	(1)	—	(1)	—	—
Foreign exchange contracts	4	4	—	—	—	—
Interest rate contracts	(3)	—	—	(1)	(2)	—
Total	**(1)**	**3**	**—**	**(2)**	**(2)**	**—**

	December 31, 2023 (outflows)/inflows					
(in millions of Euros)	**Carrying Amount**	**3 months and less**	**3-6 months**	**6-12 months**	**1-2 years**	**More than 2 years**
Commodities	(6)	(2)	(3)	(1)	—	—
Foreign exchange contracts	4	4	—	—	—	—
Total	**(2)**	**2**	**(3)**	**(1)**	**—**	**—**

The following table presents the periods in which cash flows hedges are expected to impact the statement of operations:

	December 31, 2024					
	(expense)/income					
(in millions of Euros)	**Carrying Amount**	**3 months and less**	**3-6 months**	**6-12 months**	**1-2 years**	**More than 2 years**
Commodities	(2)	(1)	—	(1)	—	—
Foreign exchange contracts	4	4	—	—	—	—
Interest rate contracts	(3)	—	—	(1)	(2)	—
Total	**(1)**	**3**	**—**	**(2)**	**(2)**	**—**

	December 31, 2023					
	(expense)/income					
(in millions of Euros)	**Carrying Amount**	**3 months and less**	**3-6 months**	**6-12 months**	**1-2 years**	**More than 2 years**
Commodities	(6)	(2)	(3)	(1)	—	—
Foreign exchange contracts	4	4	—	—	—	—
Total	**(2)**	**2**	**(3)**	**(1)**	**—**	**—**

Raw materials

The Company utilises derivative instruments such as forwards, swaps and options to manage its exposure to commodity prices both through the purchase of commodities and through sales contracts.

Fair values of raw material (base metal) instruments are as follows:

(in millions of Euros)	**December 31, 2024**	**December 31, 2023**
Assets associated with raw material (base metal)	7	11
Liabilities associated with raw material (base metal)	(11)	(19)
Total	**(4)**	**(8)**

The Company consumes large amounts of metals including nickel, the price of which is fixed on the London Metal Exchange. The Company is exposed to price volatility in respect of its purchases in the spot market and under its long-term supply contracts.

Sensitivity analysis

Foreign currency sensitivity

The following table details the Company's sensitivity as it relates to derivative financial instruments to a 10% variation of the Euro against the U.S. dollars to which the Company is exposed. The sensitivity analysis does not include non-derivative foreign currency denominated monetary items. A positive number indicates an increase in statement of operations where a negative number indicates a decrease in statement of operations and other equity.

(in millions of Euros)	December 31, 2024	
	Income	Other Equity Cash Flow Hedging Reserves
10% appreciation in Euro	1	—
10% depreciation in Euro	(1)	—

(in millions of Euros)	December 31, 2023	
	Income	Other Equity Cash Flow Hedging Reserves
10% appreciation in Euro	19	—
10% depreciation in Euro	(19)	—

Cash flow sensitivity analysis for variable rate instruments

The Company's sensitivity to a change of 100 basis points variation in interest rates for variable rate instruments would have an impact lower than €1 million on profit or loss and equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Base metals

The following table details the Company's sensitivity to a 10% variation in the prices of base metals. The sensitivity analysis include not matured base metal derivative instruments

(in millions of Euros)	December 31, 2024	
	Statement of operations	Other Equity Cash Flow Hedging Reserves
+10% in prices Base Metals	4	6
-10% in prices Base Metals	(4)	(6)

(in millions of Euros)	December 31, 2023	
	Statement of operations	Other Equity Cash Flow Hedging Reserves
+10% in prices Base Metals	2	9
-10% in prices Base Metals	(2)	(9)

NOTE 25: BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The consolidated financial statements include transactions performed with the following related parties:

- key executives of the Group and members of the Boards of Directors; and

- the significant Shareholder and its related parties.

Transactions with related parties of the Group, were as follows:

(in millions of Euros)	Year Ending December 31,		December 31,	
	2024	**2023**	**2024**	**2023**
Transactions		**Sales**	**Trade accounts receivable**	
ArcelorMittal Group	115	83	6	5
Total	**115**	**83**	**6**	**5**

(in millions of Euros)	Year Ending December 31,		December 31,	
	2024	**2023**	**2024**	**2023**
Transactions		**Cost of sales**	**Trade accounts payable**	
ArcelorMittal Group	357	399	31	36
Total	**357**	**399**	**31**	**36**

Transactions and balances with related parties also include the following:

(in millions of Euros)	December 31,	
	2024	**2023**
Transactions with ArcelorMittal Group		
Other current assets	—	1
Other current liabilities	3	1

(in millions of Euros)	Year Ending December 31,	
	2024	**2023**
Transactions with ArcelorMittal Group		
Selling, general and administrative expenses	9	6

Transactions performed between the Company and its subsidiaries, which are related parties, are carried out, from the standpoint of their subject-matter or terms and conditions, in the ordinary course of the Company's business activities and have been eliminated on consolidation.

Refer to Note 28 for disclosure of transactions with key management personnel. The above mentioned transactions between Aperam and the respective entities were conducted on an arm's length basis.

NOTE 26: 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)	**Year Ending December 31,**	
	2024	**2023**
Commitments related to purchases of raw materials and energy	1,343	999
Guarantees, pledges and other collateral	285	271
Capital expenditure commitments	23	64
Total	**1,651**	**1,334**

Commitments related to purchase of raw materials and energy

Purchase commitments consist of the major agreements for procuring nickel and chromium. The Group also entered into agreements for electricity, industrial gas, molybdenum, ferro-alloys and scrap. Those commitments are valued based on the market quotations at relevant markets, depending on the contracts and related conditions either as an average or at year-end for each commodity.

Guarantees, pledges and other collateral

Guarantees consist of guarantees in relation to credit lines at subsidiary level, discounting of letter of credits, insurance commitments, environmental exposure and litigation files mostly in Brazil.

Other collateral includes documentary credits and letters of credit. No pledge on assets were given.

NOTE 27: CONTINGENCIES

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 loss and an estimation of damages are difficult to ascertain. Consequently, for certain 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 (other than legal fees) for the potential outcome of these cases.

In the cases in which quantifiable indemnities, fines or penalties have been assessed, the Company has indicated the amount of such indemnity, fine or penalty, or the amount of provision accrued, which is the 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 its 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 audits by the authorities in the countries in which they operate. Those audits could result in additional liabilities and payments, including penalties for late payment and interest.

Environmental Provisions

The Company is subject to a broad range of environmental laws and regulations. As of December 31, 2024, the Company had established reserves of €28 million for environmental liabilities (€27 million as of December 31, 2023).

Belgium

In Belgium, there is an environmental provision of €6 million as of 31 December, 2024 (€5 million as of 31 December, 2023), of which most significant elements are legal obligations linked to soil treatment of the sites of Genk and Châtelet. The latest examination in 2015 at the site of Châtelet revealed only limited additional pollution without any consequences from the official instances about possible remediation obligations.

France

In France, there is an environmental provision of €6 million as of 31 December, 2024 (€7 million as of 31 December, 2023), which relates to (i) ground treatment and clean-up of the Company's Ardoise facility after operations ceased at the site, (ii) the clean-up and mud treatment of few minor production equipments and (iii) the ground clean-up after operations ceased at former Firminy facility.

Brazil

In Brazil, violation of an environmental regulation may result in fines, imprisonment, interruption of the Company's activities, cancellation of tax incentives and credit lines with governmental financial entities and dissolution of the corporate entity, in addition to the obligation to repair or to indemnify for damages caused to the environment and third parties.

United States of America

In the Unites States of America, there is an environmental provision of €16 million as of December 31, 2024 (€15 million as of December 31, 2023), which relates to probable obligations from environmental pollution on some ELG US's sites.

Changes in environmental laws or regulations, or in the interpretation thereof, or in the administrative procedures and policies adopted under current environmental laws and regulations, could require the Company to invest in additional resources in environmental compliance and the renewal of its licenses, and could therefore adversely affect it. Additionally, non-compliance with or violation of any such laws and regulations could result in the revocation of the Company's licenses and suspension of its activities or in its responsibility for environmental remediation costs, which could be substantial. The Company cannot assure that its expenses relating to compliance with applicable environmental regulations will not be significant or that it will be able to renew its licenses in a timely manner, or at all.

Vacating and demolition provisions

For ELG sites located in France, Germany and The Netherlands there is a provision of €7 million as of December 31, 2024 (€6 million as of December 31, 2023), which relates to the demolition and clean-up costs of the facilities and grounds after operations ceased at the sites due to contractual obligations. The present value of the expected costs is immediately accrued in full and corresponds at inception to a corresponding increase in the cost of the asset concerned in property, plant and equipment.

Tax Claims

Set out below is a summary description of the tax claims (i) in respect of which Aperam had recorded a provision as of December 31, 2024, (ii) that constitute a contingent liability, or (iii) that were resolved in 2024, in each case involving amounts deemed material by Aperam. The Company is vigorously defending against each of the pending claims discussed below. As of December 31, 2024, the Company has established reserves in the aggregate of approximately €8 million for those of the claims as to which the criteria for provisioning were met (€5 million as of December 31, 2023).

- On July 15, 2024, Aperam South America received a tax assessment related to PIS. The Tax Authority understood that the Company claimed more PIS credits than it was entitled to and, for this reason, disallowed part of the compensations made, demanding the payment of the amounts that were offset using these credits. The current amount under discussion is R$49.6 million (€9.2 million). The Company presented its defense on August 13, 2024. The case is pending at the first administrative level.

- On December 20, 2024, Aperam South America received a tax assessment regarding ICMS related to the year 2020. The Tax Authority understood that the Company has unduly appropriated ICMS credits over intermediate goods (refractories) and has paid less tax due to that. The current amount under discussion is R$35.1 million (€6.5 million). The Company presented its defense on January 21, 2025. The case is pending at the first administrative level.

- On December 20, 2024, Aperam South America received a tax assessment regarding ICMS related to the year 2020. The Tax Authority understood that the Company has unduly appropriated ICMS credits over intermediate goods (components and parts) and has paid less tax due to that. The current amount under discussion is R$27.5 million (€5.1 million). The Company presented its defense on January 21, 2025. The case is pending at the first administrative level.

- On December 1, 2023, Aperam South America received a tax assessment regarding ICMS related to the year 2019. The Tax Authority understood that the Company has unduly appropriated ICMS credits over intermediate goods and has paid less tax due to that. The current amount under discussion is R$30.7 million (€5.7 million). The Company presented its defense on January 3, 2024, and received a partially favorable decision on November 5, 2024. On December 9, 2024, Aperam filed an appeal. The case is pending at the second administrative level.

- On December 5, 2022, Aperam South America received a tax assessment regarding ICMS related to the year 2018. The Tax Authority understood that the Company has unduly appropriated ICMS credits over intermediate goods and has paid less tax due to that. The current amount under discussion is R$30.3 million (€5.6 million). Aperam presented its defense on January 9, 2023, and received a partially favorable decision on March 13, 2023. The Company presented an appeal. On December 21, 2023, the case was judged by the second administrative instance unfavourably to the company. Aperam will bring the case to the judicial instance.

- On October 26, 2020, Aperam South America received a tax assessment related to the underpayment of PIS and COFINS (regarding to the year 2018). The Tax Authority disregarded credits used by the Company to offset the debts it declared. The Company presented its defense on November 24, 2020, and received a partially favorable decision on July 23, 2021. Aperam presented its appeal on August 23, 2021, and, on November 11th, 2024, the case was partially ruled in favour of the Company, resulting in a reduction of approximately R$63.1 million (€2.3 million). On November 25th, 2024, the Company filed an appeal to contest the portion of the judgment that was decided unfavourably to the Company. The current amount under discussion is R$2.5 million (€464 K). The case is pending at the second administrative level.

- On December 3, 2018, Aperam South America received a tax assessment related to PIS/COFINS for the year 2014. The current total amount claimed is R$31.1 million (€5.8 million). The Company presented its defense on January 3, 2019. On June 7, 2019, the Company obtained a partially favorable decision at first administrative instance. In July 2019, the Company filed an appeal. The case is pending at the second administrative level.

- On March 31, 2017, Aperam South America received a tax assessment related to the tax benefit taken in 2012 from the goodwill generated by the acquisition of the minority shares following the delisting of the Company that occurred in 2008. The current total amount claimed is R$77.9 million (€14.5 million). The Company obtained unfavourable decisions on the first and second administrative instances. The Company appealed to the Special Court in 2019. On October 18, 2024, the Company received the decision dismissing Aperam's appeal. On November 14, 2024, the Company filed a motion for clarification. The case is pending at the third administrative level.

- On May 19, 2015, Aperam South America received tax assessments related to the years 2010 and 2011, regarding social contributions. The Federal Revenue understood that the company should have paid social contribution and an additional related to the Working Environment Risk that allows a special retirement after 25 years of work. The case closed unfavourably to the Company at the administrative instance and was brought to the judicial level on July 24, 2017. The case is pending at the first judicial level.

- On July 23, 2014, Aperam South America received a tax assessment related to the tax benefit taken in 2010 and 2011 from the goodwill generated by the acquisition of the minority shares following the delisting of the Company that occurred in 2008. The current total amount claimed by the Federal Revenue Service is R$304.6 million (€57 million). The Company presented its defense on August 21, 2014, at the first administrative level. On July 1, 2016, the Company received an unfavourable decision that it appealed on July 29, 2016. On June 8, 2018, the Administrative Tax Court (Appeal) issued a partially favorable decision to the Company. The motion of clarification filed by the Company was accepted by the Court on September 19, 2019, but the final clarification did not change the original decision. In January 2020, authorities filed their appeal on the remaining contingencies. The Company counter-argued it and presented its appeal. On

October 18, 2024, the Company received the decision dismissing Aperam's appeal. On November 14, 2024, the Company filed a motion for clarification. The case is pending at the third administrative level.

- On July 11, 2014, Aperam South America received two tax assessments for social contributions paid in relation to the 2009 and 2010 "Profit Sharing Programme" for a current total amount of R$69.3 million (€12.8 million). The case closed at the administrative level partially in favour of the Company and Aperam brought the case to the judicial level in November 2020. On August 25, 2021, the Company filed a petition informing adherence to the PLR Amnesty (related to non-employee directors) allowing it to reduce the claimed amount. On May 10th, 2024, the Federal Union filed a petition informing the approval of the PLR Amnesty. The case is pending at the first judicial instance.

- 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 the disallowance of previous tax loss compensation made by the Company in 2011. The current amount under discussion is R$115.5 million (€21.4 million). The case closed at the administrative level partially in favour of the Company. The case was brought to the judicial level in November 2022 and is pending at the first judicial instance.

- On December 20, 2013, Aperam South America received a tax assessment from Federal Revenue in the current total amount of R$496.1 million (€ 92 million). This assessment contains two parts for the years 2008 and 2009:
  - The tax authorities required that the profits of Acesita Imports & Exports Ltda be added to Aperam South America's tax basis,
  - The tax authorities disregarded the goodwill generated by the acquisition by Arcelor Aços Especiais do Brasil ("AAEB") of the minority shareholding of Aperam South America at the time of its delisting in 2008.

  Aperam South America presented its defense at the first administrative level in January 2014. In June 2016, an unfavourable decision was issued by the first administrative level. The company filed an appeal on July 22, 2016. In February 2018, the Administrative Tax Court (appeal) decision was partially favorable to the Company. In October 2018, the Company launched a special appeal. In November 2020, such an appeal was partially accepted. On October 18, 2024, the Company received the decision dismissing Aperam's appeal. On November 14, 2024, the Company filed a motion for clarification. The case is pending at the third administrative level.

- On December 14, 2011, the Federal Revenue issued tax assessments against Aperam South America considering that the Company did not pay several social contributions due on payments made to employees under the Profit Sharing Programme. The current total amount under discussion is R$129.9 million (€24.1 million). Following the administrative proceedings, the Company brought the cases to the judicial level. They are pending at the first judicial level.

- On June 26, 2007, Aperam South America brought the discussion about social contributions and bonus payments to the judicial level. The current total amount claimed by the Federal Union is R$30.7 million (€5.7 million). On June 20, 2012, the first Judicial Court decision was favorable to the Company but the Federal Union appealed the decision in May 2013. The case is pending at the second judicial level.

- On December 21, 2005, Aperam South America was assessed by the Federal Revenue about its calculation of PIS and COFINS. The Administrative level closed partially in favour of the Company and the amount claimed was reduced to the current amount of R$76.9 million (€14.3 million). The case was brought to the judicial level in 2014. The case is pending at the first judicial level.

Other Litigations and Claims

The Company is presently involved in a number of legal disputes, the most significant of which are set out below. As of December 31, 2024, the Company has established reserves in the aggregate of approximately €26 million for those of the claims as to which the criteria for provisioning were met (€22 as of December 31, 2023).

Brazil

- On April 1, 2004, a sanctioning administrative process with the Central Bank was brought against Aperam South America based on alleged irregular exchange operations utilised by it in the purchase and sale of treasury bills. On March 22, 2007, Aperam South America was assessed with a current fine of R$67.1 million (€12.5 million). The Company brought the case before the Judicial Court in 2012. On February 6, 2014, the first judicial instance decision was not favourable to the Company. On February 21, 2014 the Company appealed to the Judicial Court. The case is still pending before the Court of Appeal.

- In July 2023, Mr. Silvano Pereira de Azevedo filed a civil lawsuit against Aperam South America, seeking the cancellation of the geo-referencing registered by Aperam South America in June 2014 at the Land Registry Office of Turmalina/MG and a fine of R$32 million (€6 million) for alleged judicial disobedience and usurpation. In its defense, Aperam South America demonstrated compliance with the court order and argued that there was no harm to the plaintiff or restriction on the regular use of the property. Additionally, it contended that any applicable fine should be reduced, as the property covers approximately 36 ha and is valued at R$ 400 thousand, making it unreasonable for the penalty to exceed this amount. The case is pending at the first judicial level.

NOTE 28: EMPLOYEES AND KEY MANAGEMENT PERSONNEL

The total annual compensation of Aperam's permanent employees was as follows:

(in millions of Euros)	**2024**	**2023**
Employee Information		
Wages and salaries	628	590
Pension cost	8	8
Other staff costs	101	75
Total	**737**	**673**

During 2024 and 2023, Aperam employed 11,700 and 11,100 persons on average, respectively.

The total annual compensation of Aperam's key management personnel, including its Board of Directors, was as follows:

(in millions of Euros)	**2024**	**2023**
Base salary	4	4
Directors' fees	1	1
Short-term performance-related bonus	2	3
Post-employments benefits(1)	—	—
Share based compensation	4	3

Note:
(1) Post-employments benefits for Aperam's key management personnel were below €1 million for the years ending December 31, 2024 and December 31, 2023

As of December 31, 2024 and 2023, the Company did not have any outstanding loans or advances to members of Aperam's Board of Directors or key management personnel and had not given any guarantees for the benefit of any member of Aperam's Board of Directors or key management personnel.

NOTE 29: LIST OF SIGNIFICANT SUBSIDIARIES AS OF DECEMBER 31, 2024

The following table provides an overview of the Company's principal [(1)] operating subsidiaries [(2)], all of which are integrated in full consolidation by the Company, according to the principles defined in Note 1:

Name of subsidiary	Country of incorporation	% Interest
Alloys & Specialties		
Aperam Alloys Rescal S.A.S.U.	France	100%
Aperam Alloys Imphy S.A.S.U.	France	100%
Aperam Alloys India Private Ltd	India	100%
Recycling & Renewables		
ASB Recycling N.V.	Belgium	100%
Aperam Bioenergìa Ltda.	Brazil	100%
Bahia Minas BioEnergia Ltda.	Brazil	49%
FERINOX S.A.S.U.	France	100%
Recyco S.A.S.U.	France	100%
Eisenlegierungen Handelsgesellschaft mbH	Germany	100%
ELG Utica Alloys GmbH	Germany	100%
Iberinox Recycling Plus S.L.	Spain	100%
ELG Metals Taiwan Corp.	Taiwan	100%
ELG Metals Ltd.	UK	100%
ELG Utica Alloys Ltd.	UK	100%
ELG Metals Inc.	USA	100%
ELG Utica Alloys Holding Corp.	USA	100%
ELG Utica Alloys Inc.	USA	100%
ELG Utica Alloys (Hartford) Inc.	USA	100%
Services & Solutions		
Aperam Stainless Services & Solutions Argentina S.A.	Argentina	100%
Aperam Stainless Services & Solutions Brazil Ltda.	Brazil	100%
Aperam Stainless Services & Solutions Tubes Czech Republic s.r.o.	Czech Republic	100%
Aperam Stainless Services & Solutions France S.A.S.U.	France	100%
Aperam Stainless Services & Solutions Germany GmbH	Germany	100%
Aperam Stainless Services & Solutions Italy S.r.l.	Italy	100%
Aperam Stainless Services & Solutions Luxembourg S.A.	Luxembourg	100%
Aperam Stainless Services & Solutions Poland S.p. z o.o.	Poland	100%
Aperam Stainless Services & Solutions Iberica S.L.	Spain	100%
Aperam Paslanmaz Celik Sanayi ve Ticaret A.S.	Turkey	100%
Aperam Stainless Services & Solutions USA, LLC	USA	100%
Stainless & Electrical Steel		
Aperam Stainless Belgium N.V.	Belgium	100%
Haven Genk N.V.	Belgium	50%
Aperam South America S.A.	Brazil	100%
Aperam Stainless Europe S.A.S.U.	France	100%
Aperam Stainless France S.A.S.U.	France	100%
Aperam Stainless Precision S.A.S.U.	France	100%

(1) By Company's principal operating subsidiaries, we consider subsidiaries that meet at least one of the two following criteria: External sales of at least €40 million for the year 2024 or Property, plant & equipment of at least €5 million as of December 31, 2024.
(2) In 2024, we had no legal entity, sales offices nor sales in / purchases from: Afghanistan, Belarus, Cuba, Iran, Iraq, North Korea, Libya, Myanmar, Somalia, Sudan/South Sudan, Syria, Donetsk, Kherson, Luhansk and Zaporizhzhia Regions of Ukraine, Yemen nor Zimbabwe.

NOTE 30: INDEPENDENT AUDITOR FEES

PricewaterhouseCoopers, *société coopérative*, acted as independent auditor for the audit of the Consolidated Financial Statements and the Parent Company Annual Accounts for the year ending December 31, 2024 and 2023.

Set forth below is a breakdown of fees for services rendered in 2024 and 2023.

Audit Fees. Audit fees in 2024 and 2023 were €2.4 million and €2.2 million, respectively.

Audit-Related Fees. Audit-related fees in 2024 and 2023 were €0.4 million and €0.2 million, respectively. The audit-related fees consists principally of issuance of certifications and sustainability report.

Tax Fees. Fees relating to tax planning, advice and compliance in 2024 and 2023 were €0.1 million and <€0.1 million, respectively.

All other fees. Fees in 2024 and 2023 for all other services were €0.1 million and €0.1 million, respectively. All other fees relate to services not included in the first three categories.

The Audit, Risk and Sustainability Committee has reviewed and approved all of the audit, audit-related, tax and other services provided by the independent auditor in 2024 and 2023 within its scope, prior to commencement of the engagements.

The Audit, Risk and Sustainability Committee pre-approves all permissible non-audit service engagements rendered by the independent auditor. The Audit, Risk and Sustainability Committee has delegated pre-approval powers on a case-by-case basis to the Audit, Risk and Sustainability Committee Chairperson, for instances where the Committee is not in session and the preapproved services are reviewed in the subsequent Committee meeting.

NOTE 31: SUBSEQUENT EVENTS

On October 17, 2024, Aperam announced the signing of a definitive agreement to acquire Universal Stainless & Alloy Products, Inc., a leading manufacturer of specialty steel products for critical Aerospace & Industrial applications in the U.S., at a price of $45.00 per share in an all-cash transaction, corresponding to an enterprise value of USD 537 million (equity value USD 447 million). The transaction, which closed on January 23, 2025 qualifies as a business combination under IFRS 3. The fair value assessment for the purchase price allocation is ongoing at the date of approval of these consolidated financial statements. This acquisition was financed by the utilization of the €500 million bridge credit facility signed on October 25, 2024 (see Liquidity section).

On February 7, 2025, the Company announced that the Board of Directors, during it meeting held on February 5, 2025, proposed to maintain its base dividend at €2.00 per share, subject to shareholders approval at the May 6, 2025 Annual General Meeting.

On March 19, 2025, Aperam and International Finance Corporation (“IFC”) announced partnering to advance sustainability in the steel industry through a financing package to support Aperam’s decarbonization efforts through the production of sustainably-produced charcoal, a renewable fuel for steel manufacturing (instead of commonly used coke). IFC’s €250 million financing package includes up to €150 million from IFC’s own account and up to €100 million in mobilized funds from other lenders, such as ING. This funding will bolster the sustainable forest management program of Aperam BioEnergia, Aperam's forestry and renewable energy subsidiary in Brazil.

Auditor's Report on the Consolidated Financial Statements

To the Shareholders of
Aperam S.A.
24-26, Boulevard d'Avranches
L-1160 Luxembourg

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Report on the Audit of the Consolidated Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Aperam S.A. (the "Company") and its subsidiaries (together, the "Group") as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit, Risk and Sustainability Committee.

What we have audited

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of comprehensive income/(loss) for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Company and its controlled undertakings for the year then ended, are disclosed in Note 30 to the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of goodwill	
The consolidated statement of the financial position includes goodwill of 412 million EUR as of 31 December 2024, which represents approximately 7% of the Group's total assets. Management performs an annual goodwill impairment test and calculates a recoverable amount for each group of cash generating units ("GCGUs") to which the goodwill is allocated, as the higher of value in use and fair value less cost of disposal. The recoverable amount of the GCGUs was determined using a discounted cash-flow model. The key assumptions having the most significant impact on the cash-flow forecasts were the discount rates, the terminal growth rates, the expected changes to raw material margin, shipments and added costs. This matter and the related disclosures reflect a particular significance to our audit and given the significant Management judgments, complexity of the discounted cash-flow models and magnitude of the amounts involved, we considered this to be a key audit matter.	◦ We obtained an understanding of the Management process in relation to the goodwill impairment procedure ◦ We involved our internal valuation team to assess the appropriateness of the discounted cash flow models used by Management, to verify their mathematical accuracy, and to review discount rates and terminal growth rates used. ◦ We evaluated the reasonableness of Management's estimates of the cash-flow forecasts by comparing the key inputs to the models with the budgets approved by the Board of Directors and performed look-back analysis to assess the quality of Management's forecasts. ◦ We checked sensitivity analysis prepared by Management over key assumptions and verified appropriateness of the sensitivity results disclosure in the consolidated financial statements. ◦ We considered the appropriateness of the disclosures in Note 2 ("Summary of material accounting policies, critical accounting judgments and change in accounting estimates") and Note 12 ("Goodwill and intangible assets") to the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Recognition and recoverability of the deferred tax assets arising from the tax losses carried forward and other tax benefits	
As of 31 December 2024, the Group has recognized deferred tax assets of 451 million EUR on tax losses carried forward and other tax benefits, mainly related to key locations of the Group. The recognition and the recoverability of deferred tax assets arising from the tax losses carried forward and other tax benefits depend on the application and interpretation of local tax laws and regulations, and the ability of those entities to generate future taxable profits. The assessment of the likelihood of future taxable profits, which are based on budget and business plans, requires significant management judgment. The fact that the Group's subsidiaries are located in various tax jurisdictions with, in some cases, changing environments, makes the determination of these management estimates even more complex. We determined this to be a key audit matter due to the importance of Management's judgment in the recognition of these assets and the significance of tax losses carried forward and other tax benefits at the level of these key entities.	◦ We obtained an understanding of the Management process supporting the Group's recognition and recoverability of the deferred tax assets arising from tax losses carried forward and other tax benefits. ◦ With the assistance of internal tax specialists, we assessed the amount of available tax losses carried forward, other tax benefits and temporary differences in the relevant jurisdictions, focusing on the most material balances. They focused in particular on the application and interpretation of local laws and regulations. ◦ For the different jurisdictions where material deferred tax assets were recorded, we assessed Management's assumptions used to estimate the recoverable value of deferred tax assets arising from tax losses carried forward and other tax benefits. We notably assessed the reliability of the projections prepared by Management to estimate the future taxable profits. ◦ We considered the appropriateness of the disclosures in Note 2 ("Summary of material accounting policies, critical accounting judgments and change in accounting estimates") and Note 7 ("Income tax") to the consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Annual Report including the Management Report, the Corporate Governance Statement and the Sustainability Information but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (ESEF Regulation).

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities and business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

We assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Report on other legal and regulatory requirements

The Management Report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the Management Report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of the Shareholders on 30 April 2024 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2024 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to the requirement that:

- the consolidated financial statements are prepared in a valid XHTML format;
- the XBRL markup of the consolidated financial statements uses the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2024 have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société coopérative — Luxembourg, 1 April 2025
Represented by

Gilles Vanderweyen

Aperam Société Anonyme

Annual Accounts as of and for the year ending December 31, 2024

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

This version of the annual accounts has been prepared based on the ESEF version, which is the only authoritative one.

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Balance Sheet

Aperam, Société Anonyme

(in thousands of Euros)		December 31, 2024	December 31, 2023
Assets			
C. Fixed assets		**4,532,321**	**5,992,781**
I. Intangible assets	**Note 3**	**1,193**	**1,844**
2.a) Concessions, patents, licences, trademarks and similar rights and assets, if they were acquired for valuable consideration		1,193	1,837
4. Payments on account and intangible assets under development		—	7
III. Financial assets	**Note 4**	**4,531,128**	**5,990,937**
1. Shares in affiliated undertakings		4,013,643	5,814,155
2. Loans to affiliated undertakings		517,445	176,742
6. Other loans		40	40
D. Current assets		**906,661**	**277,743**
II. Debtors		**882,312**	**275,233**
2.a) Amounts owed by affiliated undertakings becoming due and payable within one year	Note 5	881,583	273,512
4.a) Other debtors becoming due and payable within one year		729	1,721
III. Investments		**24,348**	**2,498**
2. Own shares	Note 6	24,348	2,498
IV. Cash at bank and in hand		**1**	**12**
E. Prepayments	**Note 7**	**1,584**	**2,339**
Total assets		**5,440,566**	**6,272,863**

The accompanying notes are an integral part of these annual accounts.

Balance Sheet

Aperam, Société Anonyme

(in thousands of Euros)		December 31, 2024	December 31, 2023
Capital, reserves and liabilities			
A. Capital and reserves	**Note 8**	**4,447,363**	**5,414,905**
I. Subscribed capital		**383,487**	**408,912**
II. Share premium account		**986,442**	**1,091,899**
IV. Reserves		**80,714**	**58,864**
1. Legal reserve		56,366	56,366
2. Reserve for own shares		24,348	2,498
V. Profit brought forward		**3,688,332**	**3,736,481**
VI. Profit or loss for the financial year		**(691,612)**	**118,749**
B. Provisions		**—**	**937**
3. Other provisions		—	937
C. Creditors	**Note 9**	**993,107**	**857,021**
1. Debenture loans		184,670	217,788
b) Non convertible loans	*Note 10*	*184,670*	*217,788*
i) becoming due and payable within one year		*174,670*	*177,788*
ii) becoming due and payable after more than one year		*10,000*	*40,000*
2. Amounts owed to credits institutions	Note 11	473,195	601,365
a) becoming due and payable within one year		*50,279*	*151,017*
b) becoming due and payable after more than one year		*422,916*	*450,348*
6. Amounts owed to affiliated undertakings		310,947	24,105
a) becoming due and payable within one year	*Note 12*	310,947	22,555
b) becoming due and payable after more than one year	*Note 13*	—	1,550
8. Other creditors		24,295	13,763
a) Tax authorities		*1,304*	*1,164*
b) Social security authorities		*251*	*397*
c.i) Other creditors becoming due and payable within one year	*Note 14*	*22,740*	*12,202*
D. Deferred income		**96**	**—**
Total capital, reserves and liabilities		**5,440,566**	**6,272,863**

The accompanying notes are an integral part of these annual accounts.

Profit and Loss account

Aperam, Société Anonyme

(in thousands of Euros)		Year ending December 31, 2024	Year ending December 31, 2023
4. Other operating income	**Note 15**	**91,335**	**89,658**
5. b) Other external expenses	**Note 16**	**(83,647)**	**(76,553)**
6. Staff costs		**(19,770)**	**(12,849)**
a) Wages and salaries		*(16,229)*	*(11,077)*
b) Social security costs		*(796)*	*(710)*
i) relating to pensions		*(488)*	*(335)*
ii) other social security costs		*(308)*	*(375)*
c) Other staff costs		*(2,745)*	*(1,062)*
7. Value adjustments		**(651)**	**(1,126)**
a) In respect of formation expenses and of tangible and intangible fixed assets	*Note 3*	*(651)*	*(1,126)*
8. Other operating expenses		**(132)**	**(1,039)**
9. Income from participating interests	**Note 17**	**24,219**	**71,275**
a) Derived from affiliated undertakings		24,219	71,275
10. Income from other investments and loans forming part of the fixed assets		**36,564**	**19,153**
a) Derived from affiliated undertakings		36,564	19,153
11. Other interest receivable and similar income	**Note 18**	**30,923**	**16,766**
a) Derived from affiliated undertakings		*30,739*	*16,403*
b) Other interest and similar income		*184*	*363*
13. Value adjustments in respect of financial assets and of investments held as current assets	**Note 4**	**(397,465)**	**—**
14. Interest payable and similar expenses	**Note 18**	**(400,330)**	**(19,933)**
a) Concerning affiliated undertakings		*(377,939)*	*(1,697)*
b) Other interest and similar expenses		*(22,391)*	*(18,236)*
15. Tax on profit or loss	**Note 19**	**27,409**	**33,773**
16. Profit or loss after taxation		**(691,545)**	**119,125**
17. Other taxes not shown under items 4 to 16		**(67)**	**(376)**
18. Profit or loss for the financial year		**(691,612)**	**118,749**

The accompanying notes are an integral part of these annual accounts.

NOTE 1 – GENERAL INFORMATION

Aperam S.A. ("the Company") was incorporated as a "*Société Anonyme*" under Luxembourg law on September 9, 2010 for an unlimited period.

The Company has its registered office in 24-26, boulevard d'Avranches, L-1160 Luxembourg and is registered at the Register of Trade and Commerce of Luxembourg under the number B155.908.

The financial year of the Company starts on January 1 and ends on December 31 each year.

The corporate purpose of the Company is the manufacture, processing and marketing of stainless steel, stainless steel products and all other metallurgical products, as well as all products and materials used in their manufacture, their processing and their marketing, and all industrial and commercial activities connected directly or indirectly with those objects, including mining and research activities and the creation, acquisition, holding, exploitation and sale of patents, licences, know-how and, more generally, intellectual and industrial property rights.

The Company may perform and carry out its corporate purpose either directly or through the creation of companies, the acquisition, holding or acquisition of interests in any companies or partnerships, membership in any associations, consortia and joint ventures. In general, the Company's corporate purpose comprises the participation, in any form, in companies and partnerships, and the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or in any other manner of shares, bonds, debt securities, warrants and other securities and instruments of any kind.

The Company may grant assistance of any kind (including financial assistance) to any affiliated company and take any measure for the control and supervision of such companies. In general it may carry out any commercial, financial or industrial activity, operation or transaction which it considers to be directly or indirectly necessary or useful in order to achieve or further its corporate purpose.

The Company controls directly and indirectly 89 subsidiaries.

In conformity with the requirements of Luxembourg laws and regulations, the Company publishes consolidated financial statements in accordance with IFRS Accounting Standards as adopted in the European Union. The consolidated financial statements as of and for the year ending December 31, 2024 are available at Aperam Headquarters, 24-26, boulevard d'Avranches, L-1160 Luxembourg, Grand-Duchy of Luxembourg.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 – Basis of preparation

These annual accounts, corresponding to the standalone financial statements of the parent company, Aperam SA, have been prepared in accordance with generally accepted accounting principles and in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg. They comply in particular with the amended law of December 19, 2002, under the historical cost convention.

2.2 – Significant accounting policies

The Company maintains its accounting records in Euros (“EUR” or “EURO”) and the annual accounts are prepared in this currency. Unless otherwise stated, all amounts in the annual accounts are stated in thousands of Euros.

The main valuation rules applied by the Company are the following:

Intangible assets

Intangible assets are carried at acquisition cost, less accumulated depreciation and value adjustments when a permanent diminution in value is identified. A reversal of a value adjustment is recorded if the reasons for which the value adjustment was made have ceased to apply.

Intangible assets are amortised on a linear basis over five years.

Financial assets

Shares in affiliated undertakings and investments held as fixed assets are recorded at acquisition cost including the expenses incidental thereto. At the end of each accounting period, shares in affiliated undertakings are subject to an impairment review performed by comparing the carrying amount of the shares in affiliated undertakings to the pro-rata of the net equity of the related affiliated undertakings. In cases where the pro-rata of the net equity of an affiliated undertaking is below the carrying amount of the shares in affiliated undertakings, value in use or similar valuation is performed. Where a permanent diminution in value is identified, this diminution is recorded in the profit and loss account as a value adjustment.

Loans to affiliated undertakings and other loans are recorded in the balance sheet at their nominal value. At the end of each accounting period, value adjustments are recorded on loans which appear to be partly or wholly irrecoverable.

A reversal of the value adjustments is recorded to the extent the factors, which caused its initial recording, have ceased to exist.

Debtors

Debtors are recorded in the balance sheet at their nominal value. At the end of each accounting period, value adjustments are recorded on debtors which appear to be partly or wholly irrecoverable. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Own shares

Own shares are recorded at acquisition cost including the expenses incidental thereto. At the end of each accounting period, value adjustments are recorded on own shares which appear to be partly or wholly irrecoverable. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Prepayments

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

Derivative financial instruments

The Company may enter into derivative financial instruments to manage its exposure to fluctuations in interest and foreign exchange rates. Unrealised gains and losses are recognised so as to offset unrealised gains and losses with respect to the underlying hedged items in the balance sheet.

Foreign currency translation

The following principles are applied to items denominated in a currency other than the EUR:

- Loans to affiliated undertakings are translated at historical exchange rates or at the exchange rate effective at the balance sheet date if unrealised exchange losses exist. Differences in the exchange rates leading to an unrealised loss are recorded in the profit and loss for the year. A reversal of the unrealised loss is recorded to the extent the factors, which caused its initial recording, have ceased to exist.
- Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.
- Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. Solely the unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.
- Profit and loss items are translated at the exchange rate prevailing at the transaction date.
- Off balance sheet commitments are disclosed based upon the exchange rate effective at the balance sheet date.

Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Liabilities

Liabilities are recorded in the balance sheet at their reimbursement value.

Deferred income

This liability item includes income received during the financial year but relating to a subsequent financial year.

NOTE 3 – INTANGIBLE ASSETS

Intangible assets mainly include some licenses on IT systems. The movements for the year are as follows:

(in thousands of Euros)	**Concessions, patents, licenses, trademarks and similar rights and assets, if they were acquired for valuable consideration**	**Payments on account and intangible assets under development**	**Total as of December 31, 2024**
Gross book value			
Opening balance	26,384	7	26,391
Transfer	7	(7)	—
Closing balance	**26,391**	**—**	**26,391**
Accumulated value adjustments			
Opening balance	(24,547)	—	(24,547)
Additions	(651)	—	(651)
Closing balance	**(25,198)**	**—**	**(25,198)**
Net book value			
Opening balance	1,837	7	1,844
Closing balance	**1,193**	**—**	**1,193**

NOTE 4 – FINANCIAL ASSETS

The movements for the year are as follows:

(in thousands of Euros)	**Shares in affiliated under takings**	**Loans to affiliated under takings**	**Other loans**	**Total as of December 31, 2024**
Gross book value				
Opening balance	5,814,155	176,742	40	5,990,937
Additions	5,229,755	1,130,822	—	6,360,577
Disposals	(6,632,802)	—	—	(6,632,802)
Transfer to short term	—	(770,000)	—	(770,000)
Foreign exchange differences	—	(20,119)	—	(20,119)
Closing balance	4,411,108	517,445	40	4,928,593
Accumulated value adjustments				
Opening balance	—	—	—	—
Additions	(397,465)	—	—	(397,465)
Closing balance	(397,465)	—	—	(397,465)
Net book value				
Opening balance	5,814,155	176,742	40	5,990,937
Closing balance	**4,013,643**	**517,445**	**40**	**4,531,128**

4.1. – Shares in affiliated undertakings

(in thousands of Euros)

Name of undertaking	Registered office	Percentage of capital held (%) as of December 31, 2024	Result for 2024 (1) (2)	Capital and reserves (including result for 2024) (1) (2)	Carrying amount as of December 31, 2024	Carrying amount as of December 31, 2023
Aperam Stainless Holdco S.à r.l.	Luxembourg	100.00	(3)	3,730,342	3,730,346	12
ACE Holdco S.à r.l.	Luxembourg	100.00	57,738	211,531	162,000	162,000
Aperam Stainless Services & Solutions Germany GmbH	Germany	25.00	(29,733)	107,359	55,092	55,092
Aperam Holdco Services & Solutions S.à r.l.	Luxembourg	100.00	(1)	44,995	44,997	12
Corea S.A.	Luxembourg	100.00	4,790	21,595	10,976	10,976
Aperam Brand Services S.à r.l.	Luxembourg	100.00	14,700	7,105	5,187	5,187
Aperam Stainless Services & Solutions Italy S.r.l.	Italy	25.00	(15,369)	4,750	2,750	15,000
Aperam Stainless Services & Solutions Iberica S.L.	Spain	25.00	(728)	1,865	2,225	—
Aperam Treasury S.C.A	Luxembourg	100.00	10,980	7,488	31	31
Aperam Sourcing S.C.A	Luxembourg	—	71,674	15,403	1	1
Aperam HoldCo S.à r.l.	Luxembourg	—	—	—	—	3,742,806
ASE Holdco S.à r.l.	Luxembourg	100.00	(392,881)	(4,235)	—	1,823,000
Other	Various	—	n/a	n/a	38	38
					4,013,643	**5,814,155**

Notes:
(1) In accordance with the unaudited IFRS reporting packages. Unaudited IFRS reporting package relates to financial information used for the preparation of the consolidated financial statements of Aperam Group.
(2) Result for 2024 and Capital and reserves (including result for 2024) are based on an ownership of 100%.

Description of the main changes during the year

On January 2, 2024, Aperam HoldCo S.à r.l. distributed in kind from its share premium to the Company an amount of €1,096,000 thousands representing the fair market value of a loan portfolio receivable from Aperam Treasury S.C.A.

On June 20, 2024, the Company made a capital increase through a cash contribution to the share premium of Aperam Stainless Services & Solutions Italy S.r.l., without any issuance of additional shares, for a total consideration of €15,200 thousands.

On June 28, 2024, in order for the Company to reorganize its group with dedicated segments reflecting the organization of its operations:

- ASE HoldCo S.à r.l. repaid, via the distribution of profit brought forward and / or share premium, 100% of the shares it held in Aperam Stainless France S.A.S. to the Company for a total consideration of €600,000 thousands;

- ASE HoldCo S.à r.l. repaid, via the distribution of profit brought forward and / or share premium, 53.57% of the shares it held in Aperam Stainless Belgium SA/NV to the Company for a total consideration of €830,335 thousands;

- the Company contributed to Aperam Stainless HoldCo S.à r.l., 100% of the shares it owns in Aperam Stainless France S.A.S. and 53.57% of the shares it owns in Aperam Stainless Belgium SA/NV, without any issuance of additional shares, for a total consideration of €600,000 thousands and €830,335 thousands, respectively;

- the Company contributed to Aperam Stainless HoldCo S.à r.l., 100% of the shares it owns in Aperam HoldCo S.à r.l., without any issuance of additional shares, for a total consideration of €2,300,000 thousands;

- Aperam HoldCo S.à r.l. repaid, via the distribution of profit brought forward and / or share premium, 100% of the shares it held in Aperam Stainless Services & Solutions Iberica S.L. to the Company for a total consideration of €8,900 thousands;

- the Company contributed to Aperam HoldCo Services & Solutions S.à r.l., 75% of the shares it owns in Aperam Stainless Services & Solutions Iberica S.L., without any issuance of additional shares, for a total consideration of €6,675 thousands;

- the Company made a cash contribution to the share premium of Aperam HoldCo Services & Solutions S.à r.l. for a total consideration of €27,360 thousands.

On July 31, 2024, the Company contributed to Aperam HoldCo Services & Solutions S.à r.l., 75% of the shares it owns in Aperam Stainless Services & Solutions Italy S.r.l., without any issuance of additional shares, for a total consideration of €8,250 thousands.

On September 16, 2024, the Company made a cash contribution to the share premium of Aperam HoldCo Services & Solutions S.à r.l. for a total consideration of €2,700 thousands.

On December 31, 2024, the Board of Directors has reviewed the carrying value of the shares in affiliated undertakings of the Company and considered that there has been a decrease in the value of the shares held in ASE Holdco S.à r.l. and Aperam Stainless Services & Solutions Italy S.r.l. Therefore, value adjustments of, respectively, €392,665 thousands and €4,800 thousands have been recorded.

4.2 – Loans to affiliated undertakings

(in thousands of Euros, unless otherwise stated)	**Currency**	**Amount in original currency**	**December 31, 2024**	**December 31, 2023**
Aperam Treasury S.C.A.	BRL	1,090,000	169,262	154,559
Aperam Treasury S.C.A.	PLN	100,000	22,183	22,183
Aperam Treasury S.C.A.	EUR	326,000	326,000	—
Total			**517,445**	**176,742**

Description of the main changes during the year

On November 30, 2021, the Company signed an Export Prepayment Agreement (“the Facility#1”) with Aperam Treasury S.C.A. for a total amount of BRL 900,000 thousands with maturity December 1, 2032. The Facility#1 bears an interest rate of 11.9%.

As of December 31, 2024 and 2023, the Facility#1 was fully drawn.

On January 2, 2024, Aperam HoldCo S.à r.l. distributed in kind from its share premium to the Company an amount of €1,096,000 thousands representing the fair market value of a loan portfolio receivable from Aperam Treasury S.C.A. (Note 4.1.)

On April 1 and June 20, 2024, amounts of €400,000 thousands and €370,000 thousands have been transferred into amounts owed by affiliated undertakings becoming due and payable within one year (Note 5).

On April 12, 2023, the Company signed an Export Prepayment Agreement (“the Facility#2”) with Aperam Treasury S.C.A. for a total amount of BRL 2,700,000 thousands with maturity April 11, 2033. The Facility#2 bears an interest rate of 11.9%. On January 17, 2024 and May 20, 2024, Aperam Treasury S.C.A. drew amounts of BRL 100,000 thousands (€18,631 thousands) and BRL 90,000 thousands (€16,191 thousands) from this Facility#2.

As of December 31, 2024, an amount of €190,000 thousands was drawn under the Facility#2. As of December 31, 2023, the Facility#2 was fully undrawn.

All other movements during the year were due to foreign exchange differences.

NOTE 5 – AMOUNTS OWED BY AFFILIATED UNDERTAKINGS BECOMING DUE AND PAYABLE WITHIN ONE YEAR

(in thousands of Euros)	December 31, 2024	December 31, 2023
Loans to affiliated undertakings - current	770,000	—
Amounts receivable on corporate services	99,635	114,664
Accrued interests	10,915	4,836
Amounts receivable on tax integration	1,033	6,034
Assets under cash pooling arrangements	—	147,978
Total	**881,583**	**273,512**

Description of the main changes during the year

Amounts owed by affiliated undertakings becoming due and payable within one year increased by €608,071 thousands during the year to €881,583 thousands as of December 31, 2024. This variance is mainly explained by:

- Loans to affiliated undertakings - on April 1 and June 20, 2024, amounts of €400,000 thousands and €370,000 thousands have been transferred from Financial assets (Note 4.2)
- an increase in accrued interest by €6,079 thousands, partly offset by:
- a decrease in the balance of assets under cash pooling arrangement with Aperam Treasury S.C.A. by €147,978 thousands,
- a decrease in amounts receivable on corporate services charged by the Company to its subsidiaries by €15,029 thousands,
- a decrease in amounts receivable on tax integration by €5,001 thousands.

NOTE 6 – OWN SHARES

On December 31, 2023, the Company had 75,633 own shares for a total book value of €2,498 thousands.

During the year 2024, 40,100 own shares (49,476 shares, net of 9,376 shares retained for tax purposes) have been given to certain employees of the Company to serve the PSU and RSU Plans 2021.

On May 17, 2024, the Company acquired, at market price, from Aperam HoldCo S.à r.l., 5,711,848 of its own shares for a total consideration of €154,073 thousands. These shares had been previously acquired by Aperam HoldCo S.à r.l. under the 2022 share buyback programmes.

On May 23, 2024, 4,852,118 of the above acquired shares were cancelled in line with the announced purpose of the programmes.

On December 31, 2024, the Company had 895,263 own shares for a total book value of €24,348 thousands.

NOTE 7 – PREPAYMENTS

As of December 31, 2024, prepayments amounted to €1,584 thousands (€2,339 thousands as of December 31, 2023) and were mainly related to prepaid charges on supplier invoices received.

NOTE 8 – CAPITAL AND RESERVES

(in thousands of Euros)	Number of shares [1]	Subscribed capital	Share premium account	Legal reserve	Reserve for own shares	Profit brought forward	Profit or loss for the financial year	Total
Balance as of December 31, 2023	78,036,688	408,912	1,091,899	56,366	2,498	3,736,481	118,749	5,414,905
Allocation of net result	—	—	—	—	—	118,749	(118,749)	—
Directors' fees (Note 22)	—	—	—	—	—	(550)	—	(550)
Dividend	—	—	—	—	—	(144,498)	—	(144,498)
Cancellation of shares	(4,852,118)	(25,425)	(105,457)	—	—	—	—	(130,882)
Loss for the financial year	—	—	—	—	—	—	(691,612)	(691,612)
Net change in reserve for own shares	—	—	—	—	21,850	(21,850)	—	—
Balance as of December 31, 2024	**73,184,570**	**383,487**	**986,442**	**56,366**	**24,348**	**3,688,332**	**(691,612)**	**4,447,363**

Note:
(1) Number of shares denominated in units.

8.1. Authorized share capital

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 thousands, equivalent to 4,852,118 shares. Following this decrease, the total authorised share capital (including its issued share capital) was €434,700 thousands represented by 82,957,953 shares without nominal value.

8.2. Subscribed capital and share premium account

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

As of December 31, 2024, the subscribed capital amounts to €383,487 thousands and is divided into 73,184,570 shares without par value and fully paid up.

To the knowledge of the Board of Directors, the shareholding [1] may be specified as follows:

	December 31, 2024	December 31, 2023
Significant Shareholder [2]	40.33%	37.82%
Treasury shares [3]	1.22%	7.42%
Other public shareholders	58.45%	54.76%
Total	**100.00%**	**100.00%**

Notes:
(1) Shareholding disclosed in the above table relates to shareholders owning 5% or more of the share capital.
(2) Please refer to the share capital section of the Management Report for the definition of the term "Significant shareholder".
(3) Treasury shares of 1.22% as of December 31, 2024 includes 895,263 shares held by Aperam S.A. when treasury shares of 7.42% as of December 31, 2023 includes 5,711,848 shares held by Aperam HoldCo S.à r.l. and 75,633 shares held by Aperam S.A.

8.3. Legal reserve

In accordance with Luxembourg Company Law, the Company is required to transfer a minimum of 5% of its net profits for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the subscribed capital. The legal reserve is not available for distribution to the shareholders. As of December 31, 2024, the legal reserve is fully constituted.

8.4. Reserve for own shares

The Board of Directors shall request the upcoming General Meeting of Shareholders to approve the allocation of €21,850 thousands from the profit brought forward in order to increase the reserve for own shares and to align the non distributable reserve to an amount equivalent to the carrying value (Note 6) of its own shares in accordance with Luxembourg Company Law.

NOTE 9 – MATURITY OF CREDITORS

(in thousands of Euros)				December 31, 2024	December 31, 2023
	Up to 1 year	**From 1 to 5 years**	**Above 5 years**	**Total**	**Total**
Non convertible debenture loans	174,670	10,000	—	184,670	217,788
Amounts owed to credit institutions	50,279	404,166	18,750	473,195	601,365
Amounts owed to affiliated undertakings	310,947	—	—	310,947	24,105
Other creditors	24,295	—	—	24,295	13,763
Total	**560,191**	**414,166**	**18,750**	**993,107**	**857,021**

NOTE 10 – NON CONVERTIBLE DEBENTURE LOANS

Schuldscheindarlehen (“SSD”)

On September 24, 2019, Aperam successfully priced an inaugural €190,000 thousands multi-tranches *Schuldscheindarlehen* (debt instrument governed by the laws of the Federal Republic of Germany) with maturities at 4, 5, 6 and 7 years. On the back of a very positive investor perception and significantly oversubscribed orderbook, Aperam was able to upsize the deal volume from the initially announced volume of €100,000 thousands to ultimately €190,000 thousands. Fixed rate tranches for a total amount of €150,000 thousands bear an interest rate between 1.10% to 1.50% when floating rate tranches for a total amount of €40,000 thousands 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 the floating rate tranches of €40,000 thousands *Schuldscheindarlehen* for early repayment at its nominal amount plus interest accrued which resulted in full repayment of the floating part.

On December 31, 2024, an amount of €40,000 thousands was outstanding under this SSD (€82,500 thousands on December 31, 2023).

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 €200,000 thousands, fulfill the requirements of law. On June 11, 2024, the size of the programme has been increased by €50,000 thousands to reach a new maximum outstanding amount of €250,000 thousands.

On December 31, 2024, an amount of €145,000 thousands was drawn in EUR under the Aperam NEU commercial paper programme at an interest rate range between 2.99% and 3.82% (€135,430 thousands 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).

NOTE 11 – AMOUNTS OWED TO CREDIT INSTITUTIONS

Fixed Rate Term facility

On February 11, 2022, Aperam announced having entered into a 6-year sustainably linked amortising fixed rate term facility of €300,000 thousands 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 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 was fully drawn as of December 31, 2024 and December 31, 2023 at an interest rate of 1.52%.

EIB financings

On June 27, 2016, Aperam and the European Investment Bank (EIB) announced the signing of a financing contract in the amount of €50,000 thousands, 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 €100,000 thousands. 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 €75,000 thousands, in addition to the outstanding loan of €100,000 thousands, in relation to the financing of advanced stainless steel manufacturing technologies. This top up facility of €75,000 thousands was fully drawn on October 8, 2021, at a rate of 0.88%, with a final maturity date of October 25, 2031.

On December 31, 2024, an amount of €150,347 thousands was outstanding under EIB financings (€177,778 thousands on December 31, 2023).

€200,000 thousands 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 €200,000 thousands 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.

On December 31, 2024, an amount of €20,000 thousands was drawn under the Facility at an interest rate of 4.27% (€120,000 thousands on December 31, 2023 at an interest rate range between 4.67% and 4.76%).

Covenant

All above facilities contain a financial covenant being a maximum consolidated total debt of 90% of consolidated tangible net worth. On December 31, 2024 and December 31, 2023, this financial covenant was fully met.

NOTE 12 – AMOUNTS OWED TO AFFILIATED UNDERTAKINGS BECOMING DUE AND PAYABLE WITHIN ONE YEAR

(in thousands of Euros)	**December 31, 2024**	**December 31, 2023**
Liabilities under cash pooling arrangements	281,857	—
Amounts payable on corporate services	27,648	22,555
Derivative financial current liabilities	1,184	—
Amounts payable on tax integration	226	—
Accrued interests	32	—
Total	**310,947**	**22,555**

Description of the main changes during the year

Amounts owed to affiliated undertakings becoming due and payable within one year increased by €288,392 thousands during the year to €310,947 thousands as of December 31, 2024. This variance is mainly explained by:

- an increase in the balance of liabilities under cash pooling arrangement with Aperam Treasury S.C.A. by €281,857 thousands,
- an increase in amounts payable on corporate services charged to the Company by its subsidiaries by €5,093 thousands,
- an increase in the negative mark-to market on interest rate derivatives with Aperam Treasury S.C.A. by €1,184 thousands,
- an increase in amounts payable on tax integration with Aperam Brand Services S.à r.l. by €226 thousands.
- an increase in accrued interest with Aperam Treasury S.C.A. by €32 thousands.

NOTE 13 – AMOUNTS OWED TO AFFILIATED UNDERTAKINGS BECOMING DUE AND PAYABLE AFTER MORE THAN ONE YEAR

Amounts owed to affiliated undertakings becoming due and payable after more than one year were nil in 2024 (€1,550 in 2023 related to the negative mark-to market on interest rate derivatives with Aperam Treasury S.C.A.)

NOTE 14 – OTHER CREDITORS BECOMING DUE AND PAYABLE WITHIN ONE YEAR

As of December 31, 2024, other creditors becoming due and payable within one year amounted to €22,740 thousands (€12,202 thousands as of December 31, 2023) and were mainly related to supplier invoices received.

Balances of the Company with related parties outside the Group amounted to €3,370 thousands as of December 31, 2024 (€622 thousands as of December 31, 2023).

NOTE 15 – OTHER OPERATING INCOME

Other operating income of €91,335 thousands in 2024 (€89,658 thousands in 2023), mainly corresponds to corporate service fees, E-commerce fees and income related to information technology, procurement and Research and Development services provided to Group companies.

NOTE 16 – OTHER EXTERNAL EXPENSES

Other external expenses of €83,647 thousands in 2024 (€76,553 thousands in 2023) mainly relate to staff, research and development and information technology costs invoiced by affiliated undertakings before being further re-invoiced to affiliated undertakings.

Transactions of the Company with related parties outside the Group amounted to €4,926 thousands in 2024 (€2,715 thousands in 2023).

NOTE 17 – INCOME FROM PARTICIPATING INTERESTS

Income from participating interests of €24,219 thousands in 2024 and €71,275 thousands in 2023 relates to annual and interim dividends received from affiliated undertakings.

NOTE 18 – INTEREST PAYABLE / RECEIVABLE AND SIMILAR EXPENSES / INCOME

(in thousands of Euros)	Year ending December 31, 2024		Year ending December 31, 2023	
	Expenses	Income	Expenses	Income
Interests payable/receivable concerning affiliated undertakings	(5,810)	30,597	(148)	12,083
Effects of foreign exchange	(19,822)		—	3,185
Loss on disposal of shares in affiliated undertakings	(352,307)	—	—	—
Other expense/income with affiliated undertakings	—	142	(1,549)	1,135
Total interests derived from affiliated undertakings	**(377,939)**	**30,739**	**(1,697)**	**16,403**
Interests in respect of debenture loans	(7,077)	—	(7,807)	—
Interests in respect of credit institutions	(14,024)	—	(10,394)	—
Effects of foreign exchange	(484)	184	—	363
Other	(806)	—	(35)	—
Total other interests and similar expenses	**(22,391)**	**184**	**(18,236)**	**363**
Total interests payable / receivable and similar expenses / income	**(400,329)**	**30,923**	**(19,933)**	**16,766**

Loss on disposal of shares in affiliated undertakings of €352,307 thousands in 2024 (nil in 2023) relates to:

- loss of €337,907 thousands on the contribution of 100% of the shares in Aperam HoldCo S.à r.l. to Aperam Stainless HoldCo S.à r.l. (Note 4.1.),
- loss of €14,400 thousands on the contribution of 75% of the shares in Aperam Stainless Services & Solutions Italy S.r.l. to Aperam HoldCo Services & Solutions S.à r.l. (Note 4.1.)

Interests in respect of debenture loans relate to *"Schuldscheindarlehen"* and commercial papers.

Interests in respect of credit institutions mainly relate to:

- Upfront fees on the **€500,000 thousands bridge credit facility (in 2024) and on the** €200,000 thousands unsecured revolving credit facility (in 2023) (Note 11),
- Interest expenses on EIB Financings, Fixed Rate term facility and Unsecured Revolving Credit Facilities, and
- Commitment fees related to both the €500,000 thousands and €200,000 thousands unsecured revolving credit facilities (Note 20.

NOTE 19 – TAX ON PROFIT OR LOSS

The Company is the head of the Luxembourg tax group which includes other subsidiaries located in Luxembourg and as such is fully liable for the tax liability of the tax group. Each of the entities included in the tax group is liable towards the Company for the amount of tax computed on its individual taxable profit. For 2024, the amount charged by the Company to affiliated undertakings amounted to €28,355 thousands (2023: €34,262 thousands).

Historically, the Company has not paid income tax due to the existence of tax losses carried forward of the tax group. The tax group has €1,713,914 thousands of tax losses carried forward available as of December 31, 2024, which could lead to a potential deferred tax asset of €409,111 thousands at a tax rate of 23.87%. The portion of the aforementioned losses that have been generated as from tax year 2017 (approximately €1,258,540 thousands) expire after seventeen years following the tax year in which the losses arose. The tax losses generated by the tax group prior to 2017 have no expiration dates.

The utilisation of the aforementioned losses against potential future taxable profit is subject to review by the Luxembourg tax authorities under the usual statute of limitation rules that is 5 years for corporate income tax as from 1 January following the end of the fiscal year (with potential extension up to 10 years under certain conditions). The existence of the tax losses carried forward remains therefore uncertain (at least) until the end of the fifth fiscal year after the fiscal year in which they are used.

The Company belongs to the Aperam Group that is within the scope of the OECD Pillar Two model rules ("Pillar Two"). Pillar Two legislation was enacted in Luxembourg and comes into effect for fiscal years starting on or after December 31, 2023.

As of December 31, 2024, there is, based on our current understanding of the rules, the limited practical experience as well as the limited administrative guidance from OECD and Luxembourg tax administration, a potential liability in respect of China of €374 thousands.

The amount of withholding tax on corporate services with affiliated undertakings amounts to €946 thousands (2023: €489 thousands).

NOTE 20 – COMMITMENTS AND CONTINGENCIES

Commitments given

(in thousands of Euros)	**December 31, 2024**	**December 31, 2023**
Guarantees given relating to credit facilities (1)	1,925	1,810
Other commitments (2)	45,519	63,811
Total	**47,444**	**65,621**

Notes:
(1) The Company has given guarantees for certain credit facilities contracted by Aperam subsidiaries.
(2) Other commitments refer to guarantees given by the Company on behalf of Aperam subsidiaries for various obligations (other than debt) and renting obligations related to Aperam headquarters.

The Company is jointly and severally liable for the following entities:

- Aperam Sourcing S.C.A.
- Aperam Treasury S.C.A.

Available lines of credit

€500,000 thousands 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.

The Facility contains a financial covenant being a maximum consolidated total debt of 90% of consolidated tangible net worth. On December 31, 2024 and 2023, this financial covenant was fully met.

On January 26, 2024, Aperam confirmed the extension of the maturity of the Facility by one year, until February 9, 2029.

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

€200,000 thousands Unsecured Revolving Credit Facility

On September 9, 2024, Aperam confirmed the extension of the maturity of the Facility by one year, until September 22, 2027.

On December 31, 2024, an amount of €180,000 thousands was not drawn under the Facility (2023: €80,000 thousands).

€500,000 thousands Bridge Credit Facility

On October25, 2024, Aperam entered into a bridge term facility agreement (hereinafter, “Facility”) of €500,000 thousands with a syndicate of five core relationship banks. The Facility has a maturity of 12 months and two options of extension by 6 months. The purpose of this agreement was to finance the acquisition of Universal Stainless & Alloy Products Inc. and its related fees, costs and expenses but also the refinancing of existing financial indebtedness of the Company.

On December 31, 2024, the Facility was fully undrawn.

Commercial paper programme

On December 31, 2024, an amount of €105,000 thousands was not drawn under the Aperam NEU commercial paper programme (€64,570 thousands on December 31, 2023).

Contingencies

The Company has no contingency as of December 31, 2024.

Share Unit Plans

On May 2, 2023, the annual general meeting of shareholders authorised the Board of Directors to issue, during the period between the 2023 and the 2024 annual general meeting, to key employees of Aperam a maximum of 350,000 of the Company's shares for grants under the Leadership Team PSU Plan and other grants below the Leadership Team level. In June 2023, a total of 88,146 PSUs and 97,750 RSUs were granted to a total of 36 employees and 100 employees at a fair value of €33.25 per share (out of which 63,846 PSUs were for the 9 Members of the Leadership Team).

On April 30, 2024, the annual general meeting of shareholders authorised the Board of Directors to issue, during the period between the 2024 and the 2025 annual general meeting, to key employees of Aperam a maximum of 400,000 of the Company's shares for grants under the Leadership Team PSU Plan and other grants below the Leadership Team level. In June 2024, a total of 141,176 PSUs and 102,800 RSUs were granted to a total of 39 employees and 101 employees at a fair value of €27.52 per share (out of which 113,626 PSUs were for the 10 Members of the Leadership Team).

NOTE 21 – STAFF

The Company employed an average of 58 full time equivalent employees during the financial year (61 full-time equivalents during the previous year).

NOTE 22 – DIRECTORS' REMUNERATION

The Company's Board of Directors members are entitled to a total remuneration of €550 thousands for the year ending December 31, 2024 (€550 thousands for the year ending December 31, 2023). Please refer to Note 8.

As of December 31, 2024 and 2023, the Company did not have any outstanding loans or advances to members of Aperam's Board of Directors or key management personnel and had not given any guarantees for the benefit of any member of Aperam's Board of Directors or key management personnel.

NOTE 23 – SUBSEQUENT EVENTS

On October 17, 2024, Aperam announced the signing of a definitive agreement to acquire Universal Stainless & Alloy Products, Inc., a leading manufacturer of specialty steel products for critical Aerospace & Industrial applications in the U.S., at a price of $45.00 per share in an all-cash transaction, corresponding to an enterprise value of USD 537 million (equity value USD 447 million). The transaction closed on January 23, 2025. This acquisition was financing by the utilization of the €500,000 thousands bridge credit facility signed on October 25, 2024 (see Note 20)

On February 7, 2025, the Company announced that the Board of Directors, during it meeting held on February 5, 2025, proposed to maintain its base dividend at €2.00 per share, subject to shareholders approval at the May 6, 2025 Annual General Meeting.

On March 19, 2025, Aperam and International Finance Corporation ("IFC") announced partnering to advance sustainability in the steel industry through a financing package to support Aperam's decarbonization efforts through the production of sustainably-produced charcoal, a renewable fuel for steel manufacturing (instead of commonly used coke). IFC's €250,000 thousands financing package includes up to €150,000 thousands from IFC's own account and up to €100,000 thousands in mobilized funds from other lenders, such as ING. This funding will bolster the sustainable forest management program of Aperam BioEnergia, Aperam's forestry and renewable energy subsidiary in Brazil.

Auditor's Report on the Annual Accounts

To the Shareholders of
Aperam S.A
24-26, Boulevard d'Avranches
L-1160 Luxembourg

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Report on the Audit of the Annual accounts

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Aperam S.A. (the "Company") as at 31 December 2024, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Our opinion is consistent with our additional report to the Audit, Risk and Sustainability Committee.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2024;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Company and its controlled undertakings for the year then ended, are disclosed in Note 30 to the Company's consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key matter
Valuation of the shares in affiliated undertakings and recoverability of receivables from affiliated undertakings	
Investments in shares in affiliated undertakings and receivables from affiliated undertakings (including loans to and amounts owed by affiliated undertakings) amount to EUR 5,412,671 thousands or approximately 99% of the Company's total assets as at 31 December 2024. The shares in affiliated undertakings are initially recorded at acquisition cost, including the expenses incidental thereto. At the end of each accounting period, shares in affiliated undertakings are subject to an impairment review. Where a permanent diminution in value is identified, this diminution is recorded in the profit and loss account as a value adjustment. Receivables from affiliated undertakings are recorded in the balance sheet at their nominal value. At the end of each accounting period, value adjustments are recorded on these assets which appear to be partly or wholly irrecoverable. The valuation of the shares in affiliated undertakings and recoverability of receivables from affiliated undertakings is a key audit matter due to the inherent complexity and judgment in the estimate of their values and their significance as at 31 December 2024.	◦ We obtained an understanding of Management's process related to the valuation of the shares in affiliated undertakings and recoverability of receivables from affiliated undertakings; ◦ We compared the carrying amount of the shares in affiliated undertakings to the pro-rata of the net equity of the affiliated undertakings; ◦ In cases where the pro-rata of the net equity of an affiliated undertaking was below the carrying amount, we performed additional procedures, such as leveraging on the audit work performed over the Aperam Group's goodwill valuation, to verify that the recoverable amount was still above the carrying amount and there were no other indications of impairment; ◦ When a permanent diminution in value was identified, we verified that appropriate value adjustments were recorded; ◦ We assessed the ability of the affiliated undertakings to repay receivables owed to the Company through the analysis of the financial information of the related affiliated undertakings ◦ We evaluated the appropriateness of the related disclosures in Note 2 ("Summary of significant accounting policies"), Note 4 ("Financial assets") and Note 5 ("Amounts owed by affiliated undertakings becoming due and payable within one year") to the annual accounts.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Annual Report including the Management Report, the Corporate Governance

Statement and the Sustainability Information but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

The Board of Directors is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

We assess whether the annual accounts have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Report on other legal and regulatory requirements

The Management Report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the Management Report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of the Shareholders on 30 April 2024 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

We have checked the compliance of the annual accounts of the Company as at 31 December 2024 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the Company it relates to the requirement that annual accounts are prepared in a valid XHTML format.

In our opinion, the annual accounts of the Company as at 31 December 2024 have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société cooperative
Represented by

Luxembourg, 1 April 2025

Gilles Vanderweyen

Proposed allocation of the 2024 results

	In Euros
Loss for the financial year	(691,612,251)
Profit brought forward (*Report à nouveau*) before transfer to the reserve for own shares	3,710,182,332
Results to be allocated and distributed	**3,018,570,081**
Transfer to the reserve for own shares	(21,850,614)
Dividend [(1)]	(144,578,614)
Directors' compensation	(550,000)
Profit carried forward	**2,851,590,853**

Note:

(1) To be submitted to shareholders' approval at the Annual General Meeting of May 6, 2025, and related to the financial period ending December 31, 2024. On the basis of 72,289,307 shares outstanding as of December 31, 2024 (73,184,570 shares in issue, net of 895,263 treasury shares). Dividends are paid quarterly, resulting in a total annualised cash dividend per share of €2.00.

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Our Vision

We are committed to establish Aperam
as the leading value creator in the circular economy
of infinite, world-changing materials.

For more information, please visit our website:
www.aperam.com

Aperam is the first stainless steel company to be ResponsibleSteel™ certified in Europe and the Americas.