

July 22, 2024



Cleveland-Cliffs Announces Its New State-of-the-Art Electrical Transformer Production Plant in Weirton, West Virginia

CLEVELAND--(BUSINESS WIRE)-- Cleveland-Cliffs Inc. (NYSE: CLF) announced today that it will establish a new electrical distribution transformer production plant in Weirton, West Virginia. This downstream direct investment by Cleveland-Cliffs in Weirton will address the critical shortage of distribution transformers that is stifling economic growth across the United States. Lourenco Goncalves, Cleveland-Cliffs' Chairman, President and Chief Executive Officer will host a press conference with West Virginia Governor Jim Justice and other elected officials in Weirton today, July 22. The announcement will highlight Cleveland-Cliffs' investment to repurpose its Half Moon Warehouse in Weirton to commence production of three-phase distribution transformers used in electric power distribution systems. The total capital investment is \$150 million, of which \$50 million (or one third) will be granted by the state of West Virginia to Cliffs through a forgivable loan. Cliffs expects the new plant to come online in the first half of 2026. The efficiency standards for distribution transformers recently promulgated by the U.S. Department of Energy support the long-term utilization of highly-efficient American-made Grain Oriented Electrical Steel (GOES), ensuring the viability of this investment in Weirton.

This investment will result in reemployment opportunities for 600 USW-represented workers from the indefinitely idled Weirton tinplate mill. The new electrical transformer plant will also generate additional demand for American-made GOES, exclusively produced in the United States by Cleveland-Cliffs, at its Butler Works steel mill in Butler, Pennsylvania. Additional demand for GOES will ultimately result in additional production of GOES at Butler Works, generating the opportunity of employment expansion for the UAW-represented workforce in Butler, Pennsylvania. In addition to Cliffs' GOES, the new transformer plant in West Virginia will also consume stainless and carbon steel produced by Cliffs in several other of its steel plants in Ohio, Michigan and Indiana.

Lourenco Goncalves, Cleveland-Cliffs' Chairman, President and Chief Executive Officer stated, "Distribution transformers are critical to the maintenance and expansion of America's electric grid. These transformers are in short supply, and that shortage stifles economic growth across the country. The shortage will continue to be exacerbated by the widespread adoption of Artificial Intelligence in virtually all sectors of the economy, which will exponentially increase the consumption of electricity, in the United States and worldwide. Said another way, there will be no AI without electricity, and there will be no electricity without transformers. Our vision for Weirton is to develop a first-of-a-kind center of excellence for transformer manufacturing that will provide good paying, middle class jobs to skilled workers, and will service our country's electrical infrastructure needs."

Mr. Goncalves concluded: "The former Weirton site offers significant growth opportunity, with the needed infrastructure in place and a world class highly-trained workforce ready to be deployed. Very importantly, Weirton is located in West Virginia, a state where the legislative

and the executive branches prove every day that things can happen really fast and efficiently. We thank Governor Justice for helping to advance this critical project and the Governor's West Virginia Department of Economic Development for extending a forgivable loan of \$50 million in support of our investment. I would also like to express appreciation to our Weirton host community and numerous elected officials from the region for their ongoing support of Cleveland-Cliffs."

United Steelworkers Local 2911 President, Mark Glyptis, stated, "This investment by Cleveland-Cliffs will provide employment opportunity for the hard working, skilled Steelworkers of USW Local 2911. The new plant builds on Weirton's proud legacy of steelmaking, and will establish our region as a hub for manufacturing of transformers needed to support the economic and national security of the United States. I thank Lourenco Goncalves for remaining dedicated to this community and Governor Justice for the strong support by the State of West Virginia. Finally, I reaffirm the commitment of USW Local 2911 to the success and future growth of transformer production in Weirton."

Weirton Press Conference Featured Speakers

- Lourenco Goncalves, Cleveland-Cliffs' Chairman, President and Chief Executive Officer
- The Honorable Jim Justice, Governor of West Virginia
- West Virginia Delegate Pat McGeehan
- West Virginia State Treasurer Riley Moore
- United Steelworkers Local 2911 leadership

Livestream Details:

Cleveland-Cliffs Weirton Announcement Press Conference

Monday, July 22, 2024

Time: 2:00 PM EDT

The live broadcast is accessible via Cleveland-Cliffs' YouTube channel:

<https://youtube.com/live/lAuPMkpec8c?feature=share>

A replay will be available after the event on Cleveland-Cliffs' channel.

About Cleveland-Cliffs Inc.

Cleveland-Cliffs is a leading North America-based steel producer with focus on value-added sheet products, particularly for the automotive industry. The Company is vertically integrated from the mining of iron ore pellets, production of direct reduced iron, and processing of ferrous scrap through primary steelmaking and downstream finishing, stamping, tooling, and tubing. Headquartered in Cleveland, Ohio, Cleveland-Cliffs employs approximately 28,000 people across its operations in the United States and Canada.

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