Articles 11(1) (j) and (k) of the Takeover Law are not applicable to the Company.

## Taxation

### United States taxation

The following discussion is a summary of the material U.S. federal income tax consequences that are likely to be relevant to U.S. Holders (as defined below) in respect of the ownership and disposition of ArcelorMittal common shares (hereinafter the “ArcelorMittal shares”) that are held as capital assets (such as for investment purposes). This summary does not purport to address all material tax consequences that may be relevant to a particular U.S. Holder. This summary also does not take into account the specific circumstances of particular investors, some of which (such as tax-exempt entities, banks, insurance companies, broker-dealers, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, regulated investment companies, real estate investment trusts, partnerships and other pass-through entities, investors liable for the U.S. alternative minimum tax, investors that own or are treated as owning 10% or more of the total combined voting power or value of ArcelorMittal’s shares, investors that hold ArcelorMittal shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction, and U.S. Holders (as defined below) whose functional currency is not the U.S. dollar) may be subject to special tax rules. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the “Code”), the Treasury regulations issued thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (“IRS”), all as in effect on the date hereof, and all of which are subject to change (possibly with retroactive effect) or to differing interpretations.

This summary does not address any aspects of U.S. federal tax law other than income taxation, or any state, local, or non-U.S. tax considerations that may be applicable to investors, or the Medicare contribution tax applicable to net investment income of certain non-corporate U.S. Holders. Investors are urged to consult their tax advisors regarding the U.S. federal, state, local and other tax consequences of acquiring, owning and disposing of ArcelorMittal shares.

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of ArcelorMittal shares that is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized in or under the laws of the United States, any state thereof, or the District of Columbia; or
- any other person that is subject to U.S. federal income tax on a net income basis in respect of the ArcelorMittal shares.

The U.S. federal income tax consequences of a partner in a partnership holding ArcelorMittal shares generally will depend on the status of the partner and the activities of the partnership. The Company recommends that partners in such a partnership consult their own tax advisors.

Except where specifically described below, this discussion assumes that ArcelorMittal is not a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes. See “—Passive foreign investment company ("PFIC") status”.

***(a) Taxation of distributions***

Cash distributions made by ArcelorMittal in respect of ArcelorMittal shares will constitute a taxable dividend when such distribution is actually or constructively received, to the extent such distribution is paid out of the current or accumulated earnings and profits of ArcelorMittal (as determined under U.S. federal income tax principles). The amount of any distribution will include the amount of any applicable Luxembourg withholding tax. To the extent the amount of any distribution received by a U.S. Holder in respect of ArcelorMittal shares exceeds the current or accumulated earnings and profits of ArcelorMittal, the distribution (1) will be treated as a non-taxable return of the U.S. Holder’s adjusted tax basis in those ArcelorMittal shares and (2) thereafter will be treated as U.S.-source capital gain. Because ArcelorMittal does not maintain calculations of earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. Distributions of additional ArcelorMittal shares that are made to U.S. Holders with respect to their ArcelorMittal shares, and that are part of a pro rata distribution to all ArcelorMittal shareholders, generally will not be subject to U.S. federal income tax unless the U.S. Holder has the right to receive cash or property instead, in which case the U.S. Holder will be treated as if it received cash equal to the fair market value of the distribution.

The U.S. dollar amount of a taxable dividend generally will be included in the gross income of a U.S. Holder as ordinary income derived from sources outside the United States for U.S. foreign tax credit purposes and generally will be passive category income for purposes of the foreign tax credit limitation. Dividends paid in euro will be included in a U.S. Holder’s income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date the dividend is received; a recipient of such dividends that converts such euro to dollars upon receipt generally should not be required to recognize foreign currency gain or loss in respect of the dividend income. Fluctuations in the U.S. dollar-euro exchange rate between the date that U.S. Holders receive a dividend and the date that they receive any related refund of Luxembourg withholding tax may give rise to foreign currency gain or loss. Such gain or loss will generally be treated as ordinary income or loss for U.S. tax purposes. Dividends paid by ArcelorMittal will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from U.S. corporations.

Subject to certain exceptions for short-term or hedged positions, taxable dividends received by certain non-corporate U.S. Holders (including individuals) with respect to the ArcelorMittal shares will be subject to U.S. federal income taxation at rates that are lower than the rates applicable to ordinary income if the dividends represent “qualified dividend income”. Dividends paid on the ArcelorMittal shares will be treated as qualified dividend income if ArcelorMittal is not a PFIC in the year in which the dividend was paid or in the year prior thereto. As discussed further below, ArcelorMittal believes that it was not a PFIC for U.S. federal income tax purposes with respect to its 2020 taxable year, and ArcelorMittal does not anticipate being a PFIC for its 2021 taxable year. See “—Passive foreign investment company ("PFIC") status”.

U.S. Holders of ArcelorMittal shares should consult their own tax advisors regarding the availability of the reduced rate of U.S. federal income tax on dividends in light of their own particular circumstances.

Subject to the limitations and conditions provided in the Code and the applicable U.S. Treasury Regulations, a U.S. Holder of ArcelorMittal shares may be able to claim a foreign tax credit against its U.S. federal income tax liability in respect of any Luxembourg income taxes withheld at the appropriate rate applicable to the U.S. Holder from a dividend paid by ArcelorMittal to such U.S. Holder and paid to the Luxembourg government. Alternatively, the U.S. Holder may deduct such Luxembourg income taxes from its U.S. federal taxable income, provided that the U.S. Holder elects to deduct rather than credit all foreign income taxes for the relevant taxable year. The rules with respect to foreign tax credits are complex and involve the application of rules that depend on a U.S. Holder’s particular circumstances. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

***(b) Taxation of sales, exchanges, or other dispositions of ArcelorMittal shares***

Sales or other taxable dispositions by U.S. Holders of ArcelorMittal shares generally will give rise to gain or loss equal to the difference between the amount realized on the disposition and the U.S. Holder’s tax basis in such ArcelorMittal shares, as determined in U.S. dollars. A U.S. Holder generally will have an initial tax basis in each ArcelorMittal share equal to its U.S. dollar cost to the U.S. Holder.

In general, gain or loss recognized on the sale or exchange of ArcelorMittal shares will be capital gain or loss and, if the U.S. Holder’s holding period for such ArcelorMittal shares exceeds one year, will be long-term capital gain or loss. Certain U.S. Holders, including individuals, are eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deduction of capital losses against ordinary income is subject to limitations under the Code.

*Passive foreign investment company (“PFIC”) status*

Special U.S. federal income tax rules apply to U.S. Holders owning stock of a PFIC. ArcelorMittal believes that it currently is not a PFIC for U.S. federal income tax purposes, and ArcelorMittal does not expect to become a PFIC in the future. This conclusion is based upon an annual analysis of its financial position and an interpretation of the PFIC provisions that ArcelorMittal believes is correct. No assurances can be made, however, that the applicable tax law or relevant factual circumstances will not change in a manner that affects the determination of ArcelorMittal’s PFIC status. If, contrary to the foregoing, ArcelorMittal were classified as a PFIC, a U.S. Holder of ArcelorMittal shares would be subject to an increased tax liability upon the gain realized on a sale or other disposition of ArcelorMittal shares or upon the receipt of certain distributions treated as “excess distributions”. Any gain realized would not be treated as a capital gain but would be treated as if the U.S. Holder had realized its gain and certain “excess distributions”, as applicable, ratably over its holding period for ArcelorMittal shares and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. In addition, if ArcelorMittal were a PFIC and its shares constitute “marketable stock”, a U.S. Holder may elect to be taxed annually on a mark-to-market basis with respect to its ArcelorMittal shares and mitigate the adverse tax consequences. U.S. Holders should consult their tax advisors as to the availability and consequences of a mark-to-market election with respect to their shares of ArcelorMittal.

*Foreign Financial Asset Reporting*

Certain U.S. Holders that own “specified foreign financial assets” with an aggregate value in excess of U.S.$50,000 on the last day of the taxable year or U.S.$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. “Specified foreign financial assets” include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. The understatement of income attributable to “specified foreign financial assets” in excess of U.S.$5,000 extends the statute of limitations with respect to the tax return to six years after the return was filed. U.S. Holders who fail to report the required information could be subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisers regarding the possible application of these rules, including the application of the rules to their particular circumstances.

*Backup withholding and information reporting*
The payment of proceeds received upon the sale, exchange or redemption of ArcelorMittal shares by U.S. Holders within the United States (or through certain U.S.-related financial intermediaries), and dividends on ArcelorMittal shares paid to U.S. Holders in the United States (or through certain U.S.-related financial intermediaries), will be subject to information reporting and may be subject to backup withholding unless the U.S. Holder (1) is an exempt recipient, and establishes that exemption if required or (2) in the case of backup withholding, provides an IRS Form W-9 (or an acceptable substitute form) that contains the U.S. Holder’s taxpayer identification number and that certifies that no loss of exemption from backup withholding has occurred.

Backup withholding is not an additional tax. The amount of backup withholding imposed on a payment to a U.S. Holder will be allowed as a credit against the holder’s U.S. federal income tax liability, if any, or as a refund, so long as the required information is properly furnished to the IRS. Holders that are not U.S. Holders may need to comply with certification procedures to establish their non-U.S. status in order to avoid information reporting and backup withholding tax requirements.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT ABOVE IS INTENDED FOR GENERAL INFORMATION PURPOSES ONLY. EACH INVESTOR IN ARCELORMITTAL ORDINARY SHARES IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE PARTICULAR TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF ARCELORMITTAL SHARES BASED ON THE INVESTOR’S PARTICULAR CIRCUMSTANCES.

## Luxembourg taxation

The following is a summary addressing certain material Luxembourg tax consequences that are likely to be relevant to holders of shares in respect of the ownership and disposition of shares in ArcelorMittal.

This summary does not purport to address all material tax considerations that may be relevant to a holder or prospective holder of ArcelorMittal shares. This summary also does not take into account the specific circumstances of particular investors some of which may be subject to special tax rules, including dealers in securities, financial institutions, insurance companies, investment funds, and of current or prior holders (directly or indirectly) of five percent or more of the shares of ArcelorMittal.

This summary is based on the laws, regulations and applicable tax treaties as in effect on the date hereof in Luxembourg, all of which are subject to change, possibly with retroactive effect. Holders of ArcelorMittal shares should consult their own tax advisers as to the particular tax consequences, under the tax laws of the country of which they are residents for tax purposes of the ownership or disposition of ArcelorMittal shares.

This summary does not address the terms of employee stock options or other incentive plans implemented by ArcelorMittal and its subsidiaries and does not purport to provide the holders of stock subscription options or other comparable instruments (including shares acquired under employee share ownership programs) with a description of the possible tax and social security implications for them, nor to determine under which conditions these options or other instruments are or may become exercisable. These holders are therefore urged to consult their own tax advisers as to the potential tax and social security implications of an exercise of their options or other instruments.

As used herein, a “Luxembourg individual” means an individual resident in Luxembourg who is subject to personal income tax (*impôt sur le revenu*) on his or her worldwide income from Luxembourg or foreign sources, and a “Luxembourg company” means a company or another entity resident in Luxembourg subject to corporate income tax (*impôt sur le revenu des collectivités*) on its worldwide income from Luxembourg or foreign sources. For the purposes of this summary, Luxembourg individuals and Luxembourg companies are collectively referred to as “Luxembourg Holders”. A “non-Luxembourg Holder” means any investor in ArcelorMittal shares other than a Luxembourg Holder.

***(a) Luxembourg withholding tax on dividends paid on ArcelorMittal shares***
Dividends distributed by ArcelorMittal will in principle be subject to Luxembourg withholding tax at the rate of 15%.

*Luxembourg resident corporate holders*
No dividend withholding tax applies on dividends paid by ArcelorMittal to a Luxembourg company (that is, a fully taxable entity within the meaning of Article 159 of the Luxembourg Income Tax Law) holding shares (or a Luxembourg permanent establishment/representative of a qualifying foreign entity to which the shares are attributable), which meets the qualifying participation test (that is, a shareholding in ArcelorMittal of at least 10% or having an acquisition cost of at least EUR 1.2 million held or committed to be held for a minimum one year holding period, per Article 147 of the Luxembourg Income Tax Law). If such exemption from dividend withholding tax does not apply, a Luxembourg company may be entitled to a tax credit.

*Luxembourg resident individual holders*
Luxembourg withholding tax on dividends paid by ArcelorMittal to a Luxembourg resident individual holder may entitle such Luxembourg Holder to a tax credit for the tax withheld.

*Non-Luxembourg Holders*
Non-Luxembourg Holders of ArcelorMittal shares who have held a shareholding in ArcelorMittal representing at least 10% of ArcelorMittal's share capital (or shares with an acquisition cost of at least EUR 1.2 million) for an uninterrupted period of at least 12 months (or where held for a shorter period, where the holder takes the commitment to hold the qualifying shareholding for such period) may benefit from an exemption from the dividend withholding tax if they are: (i) entities which fall within the scope of Article 2 of the European Council Directive 2011/96/EU, as amended (the "EU Parent-Subsidiary Directive") and which are not excluded to benefit from the EU Parent-Subsidiary Directive under its mandatory general anti-avoidance rule ("GAAR") in each case as implemented in Luxembourg, or (ii) corporates subject to a tax comparable to Luxembourg corporate income tax and which are resident of a country having concluded a double tax avoidance treaty with Luxembourg, or (iii) corporates subject to a tax comparable to Luxembourg corporate income tax and which are resident in a State being part of the European Economic Area (EEA) other than a Member State of the European Union, or (iv) corporates resident in Switzerland subject to corporate income tax in Switzerland without benefiting from an exemption.

Non-Luxembourg Holders of ArcelorMittal shares who are tax resident in a country having a double tax avoidance treaty with Luxembourg may claim for a reduced withholding tax rate or a withholding tax relief under the conditions and subject to the limitations set forth in the relevant treaty.

***(b) Luxembourg income tax on dividends paid on ArcelorMittal shares and capital gains***

*Luxembourg resident individual holders*
For Luxembourg individuals, income in the form of dividends or capital gains derived from ArcelorMittal shares will normally be subject to individual income tax at the applicable progressive rate with a current top effective marginal rate of 45.78% including the unemployment fund contribution at the maximum rate of 9%. Such dividends may benefit from the 50% exemption set forth in Article 115(15a) of the Luxembourg Income Tax Law, subject to fulfillment of the conditions set out therein. Capital gains will only be taxable if they are realized on a sale of ArcelorMittal shares, which takes place within the first six months following their acquisition, or if the relevant holder (alone or together with his/her spouse or registered partner and his/her underage children), directly or indirectly, holds or has held more than 10% of the ArcelorMittal shares at any time during the past five years.

*Luxembourg resident corporate holders*
For Luxembourg companies, which do not benefit from a special tax regime, income in the form of dividends or capital gains derived from ArcelorMittal shares will be subject to corporate income tax and municipal business tax. The combined rate for these two taxes (including an unemployment fund contribution of 7%) for Luxembourg companies with registered office in Luxembourg City is 24.94% in 2020. Such dividends may benefit either from the 50% exemption set forth in Article 115(15a) of the Luxembourg Income Tax Law or from the full exemption set forth in Article 166 of the Luxembourg Income Tax Law, subject in each case to fulfillment of the respective conditions set out therein. Capital gains realized on the sale of ArcelorMittal shares may benefit from the full exemption provided for by the Grand Ducal Decree of December 21, 2001, as amended, subject to fulfillment of the conditions set out therein.

*Non-Luxembourg Holders*
An individual or corporate non-Luxembourg Holder of ArcelorMittal shares who/which realizes a gain on disposal thereof (and who/which does not have a permanent establishment in Luxembourg to which the ArcelorMittal shares would be attributable) will only be subject to Luxembourg taxation on capital gains arising upon disposal of such shares if such holder has (if an individual, alone or together with his or her spouse or registered partner and underage children) directly or indirectly held more than 10% of the capital of ArcelorMittal, at any time during the past five years, and either (1) such holder has been a resident of Luxembourg for tax purposes for at least 15 years and has become a non-resident within the last five years preceding the realization of the gain, subject to any applicable tax treaty, or (2) the disposal of ArcelorMittal shares occurs within six months from their acquisition, subject to any applicable tax treaty.

A corporate non-Luxembourg Holder, which has a permanent establishment or a permanent representative in Luxembourg to which ArcelorMittal shares would be attributable, will bear corporate income tax and municipal business tax on dividends received and/or a gain realized on a disposal of such shares under the same conditions as are applicable to a Luxembourg resident corporate holder, as described above.

***(c) Other taxes***

*Net wealth tax*
Luxembourg net wealth tax will not be levied on a Luxembourg Holder unless:

- the Luxembourg Holder is a legal entity subject to net wealth tax in Luxembourg; or

- ArcelorMittal shares are attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg of a non-resident entity.

Net wealth tax is levied annually at a digressive rate depending on the amount of the net wealth of the above holders, as determined for net wealth tax purposes (i.e. 0.5% on an amount up to EUR 500 million and 0.05% on the amount of taxable net wealth exceeding EUR 500 million).

ArcelorMittal shares may be exempt from net wealth tax subject to the conditions set forth by Article 60 of the Law of October 16, 1934 on the valuation of assets (Bewertungsgesetz), as amended.

*Estate and gift tax*
Luxembourg inheritance tax may be levied on the transfer of ArcelorMittal shares upon the death of a Luxembourg individual.

Luxembourg gift tax will be levied in the event that a gift of ArcelorMittal shares is made pursuant to a notarial deed signed before a Luxembourg notary.

*Other Luxembourg tax considerations*
No registration tax will be payable by a holder of shares upon the issue, subscription or acquisition of shares in ArcelorMittal or upon the disposal of shares by sale or exchange.

## Evaluation of disclosure controls and procedures

***Disclosure controls and procedures***
Management maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company’s reports under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) is recorded, processed, summarized and reported within time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. ArcelorMittal’s controls and procedures are designed to provide reasonable assurance of achieving their objectives.

Management carried out an evaluation, under the supervision and with the participation of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of December 31, 2020. Based upon that evaluation, the Company’s Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective as of December 31, 2020 so as to provide reasonable assurance that (1) information required to be disclosed by the Company in the reports that the Company files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and (2) that such information is accumulated and communicated to the Company’s management, including its Chief Executive Officer and its Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

## Management’s report on internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Company’s internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ArcelorMittal;
- provide reasonable assurance that transactions are recorded, as necessary, to permit preparation of financial statements in accordance with IFRS;
- provide reasonable assurance that receipts and expenditures of ArcelorMittal are made in accordance with authorizations of ArcelorMittal's management and directors; and
- provide reasonable assurance that unauthorized acquisition, use or disposition of ArcelorMittal’s assets that could have a material effect on the financial statements would be prevented or detected on a timely basis.

Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of the Company’s financial statements would be prevented or detected. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of internal control over financial reporting as of December 31, 2020 based upon the framework in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management concluded that ArcelorMittal's internal control over financial reporting was effective as of December 31, 2020.

The effectiveness of management's internal control over financial reporting as of December 31, 2020 has been audited by the Company's independent registered public accounting firm, Deloitte Audit, and their report as of March 8, 2021 below expresses an unqualified opinion on the Company's internal control over financial reporting.

***Changes in Internal Control over Financial Reporting***
There have been no changes in the Company's internal control over financial reporting that occurred during the year ended December 31, 2020 that have materially affected or are reasonably likely to have materially affected the Company's internal control over financial reporting.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the shareholders and the Board of Directors of ArcelorMittal

**Opinion on Internal Control over Financial Reporting**

We have audited the internal control over financial reporting of ArcelorMittal and subsidiaries (the “Company”) as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2020, of the Company and our report dated March 8, 2021, expressed an unqualified opinion on those consolidated financial statements.

**Basis for Opinion**

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and Limitations of Internal Control over Financial Reporting**

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte Audit S.à r.l.

Luxembourg, Grand Duchy of Luxembourg

March 8, 2021

## Principal accountant fees and services

Deloitte Audit S.à r.l. acted as the principal independent registered public accounting firm for ArcelorMittal for the fiscal years ended December 31, 2020 and 2019. Set forth below is a breakdown of fees for services rendered in 2020 and 2019.

**Audit Fees**. Audit fees in 2020 and 2019 included $25.6 million and $25.5 million, respectively, for the audits of financial statements, and $0.4 million and $0.4 million in 2020 and 2019, respectively, for regulatory filings.

**Audit-Related Fees**. Audit-related fees in 2020 and 2019 were $0.7 million and $1.0 million, respectively. Audit-related fees include fees for agreed upon procedures for various transactions or reports.

**Tax Fees**. Fees relating to tax planning, advice and compliance in 2020 and 2019 were $0.2 million and $0.3 million, respectively.

**All Other Fees**. Fees in 2020 and 2019 for all other services were $0.01 million and $0.1 million, respectively. All other fees relate to services not included in the first three categories.

The Audit & Risk Committee has reviewed and approved all of the audit, audit-related, tax and other services provided by the principal independent registered public accounting firm in 2020 within its scope, prior to commencement of the engagements. None of the services provided in 2020 were approved under the de minimis exception allowed under the Exchange Act.

The Audit & Risk Committee pre-approves all permissible non-audit service engagements rendered by the principal independent registered public accounting firm. The Audit & Risk Committee has delegated pre-approval powers on a case-by-case basis to the Audit & Risk Committee Chairman, for instances where the Committee is not in session and the pre-approved services are reviewed in the subsequent Committee meeting.

In making its recommendation to appoint Deloitte Audit S.à r.l. as our principal independent registered public accounting firm for the fiscal year ended December 31, 2020, the Audit & Risk Committee has considered whether the services provided are compatible with maintaining Deloitte Audit S.à r.l. independence and has determined that such services do not interfere with Deloitte Audit S.à r.l. independence.

# Glossary - definitions, terminology and principal subsidiaries

## Definitions and terminology

Unless indicated otherwise, or the context otherwise requires, references herein to “ArcelorMittal”, “we”, “us”, “our”, “ArcelorMittal Group”, “Group” and the “Company” or similar terms are to ArcelorMittal S.A consolidated with its subsidiaries. References to “ArcelorMittal S.A.”, “ArcelorMittal parent” or “parent of ArcelorMittal” are to ArcelorMittal S.A., formerly known as Mittal Steel Company N.V. (“Mittal Steel”), having its registered office at 24-26, Boulevard d’Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg. ArcelorMittal’s principal operating subsidiaries, categorized by reporting segment and location, are listed below.

For the purposes of this annual report, the names of the following ArcelorMittal subsidiaries as abbreviated below are used where applicable.

| Name of Subsidiary | Abbreviation | Country |
|---|---|---|
| **NAFTA** | | |
| ArcelorMittal Dofasco G.P. | ArcelorMittal Dofasco | Canada |
| ArcelorMittal México S.A. de C.V. | ArcelorMittal Mexico | Mexico |
| ArcelorMittal USA LLC [1] | ArcelorMittal USA | USA |
| ArcelorMittal Long Products Canada G.P. | ArcelorMittal Long Products Canada | Canada |
| Brazil and neighboring countries ("Brazil") | | |
| ArcelorMittal Brasil S.A. | ArcelorMittal Brasil | Brazil |
| Acindar Industria Argentina de Aceros S.A. | Acindar | Argentina |
| **Europe** | | |
| ArcelorMittal France S.A.S. | ArcelorMittal France | France |
| ArcelorMittal Belgium N.V. | ArcelorMittal Belgium | Belgium |
| ArcelorMittal España S.A. | ArcelorMittal España | Spain |
| ArcelorMittal Flat Carbon Europe S.A. | AMFCE | Luxembourg |
| ArcelorMittal Poland S.A. | ArcelorMittal Poland | Poland |
| ArcelorMittal Eisenhüttenstadt GmbH | ArcelorMittal Eisenhüttenstadt | Germany |
| ArcelorMittal Bremen GmbH | ArcelorMittal Bremen | Germany |
| ArcelorMittal Méditerranée S.A.S. | ArcelorMittal Méditerranée | France |
| ArcelorMittal Belval & Differdange S.A. | ArcelorMittal Belval & Differdange | Luxembourg |
| ArcelorMittal Hamburg GmbH | ArcelorMittal Hamburg | Germany |
| ArcelorMittal Duisburg GmbH | ArcelorMittal Duisburg | Germany |
| ArcelorMittal International Luxembourg S.A. | ArcelorMittal International Luxembourg | Luxembourg |
| ArcelorMittal Italia S.p.A. [2] | ArcelorMittal Italia | Italy |
| **Africa and Commonwealth of Independent States ("ACIS")** | | |
| ArcelorMittal South Africa Ltd. | ArcelorMittal South Africa | South Africa |
| JSC ArcelorMittal Temirtau | ArcelorMittal Temirtau | Kazakhstan |
| PJSC ArcelorMittal Kryvyi Rih | ArcelorMittal Kryvyi Rih | Ukraine |
| **Mining** | | |
| ArcelorMittal Mining Canada G.P. and ArcelorMittal Infrastructure Canada G.P. | ArcelorMittal Mines and Infrastructure Canada ("AMMC") | Canada |
| ArcelorMittal Liberia Ltd | ArcelorMittal Liberia | Liberia |
| JSC ArcelorMittal Temirtau | ArcelorMittal Temirtau | Kazakhstan |
| PJSC ArcelorMittal Kryvyi Rih | ArcelorMittal Kryvyi Rih | Ukraine |

1. On December 9, 2020, the Company completed the sale of ArcelorMittal USA. See "—Key transactions and events in 2020" and note 2.3.1 to the consolidated financial statements.
2. On December 10, 2020, the Company signed a binding agreement with Invitalia, an Italian state-owned company, to form a public-private partnership between the parties. As a result, the carrying amount of the assets and liabilities of ArcelorMittal Italia was classified as held for sale at December 31, 2020 and will be accounted for under the equity method upon closing of the first investment (expected in the first quarter of 2021). See "Introduction—Key transactions and events in 2020" and note 2.3.2 for further information.

In addition, unless indicated otherwise, or the context otherwise requires, references in this annual report to abbreviations or terms shown below have the following definitions:

| | |
|---|---|
| ARS | Argentine Peso, the official currency of Argentina |
| Articles of Association | the amended and restated articles of association of ArcelorMittal, dated June 13, 2020 filed as Exhibit 1.1 hereto |
| AUD$ or AUD | Australian dollars, the official currency of Australia |
| Brownfield project | the expansion of an existing operation |
| C$ or CAD | Canadian dollars, the official currency of Canada |
| CEO Office | the Chairman and Chief Executive Officer, Mr. Lakshmi N. Mittal, and the President and Chief Financial Officer, Mr. Aditya Mittal |
| CIS | the countries of the Commonwealth of Independent States |
| CNY | Chinese yuan, the official currency of China |
| Coking coal | coal that, by virtue of its coking properties, is used in the manufacture of coke, which is used in the steelmaking process |
| Crude steel | the first solid steel product upon solidification of liquid steel, including ingots from conventional mills and semis (e.g., slab, billet and blooms) from continuous casters |
| Downstream | finishing operations: flat products - the process after the production of hot-rolled coil/plates, and long products - the process after the production of blooms/billets (including production of bars, wire rods, SBQ, etc.) |
| DMTU or dmtu | dry metric tonne unit |
| DRI | direct reduced iron, a metallic iron formed by removing oxygen from iron ore without the formation of, or passage through, a smelting phase. DRI can be used as feedstock for steel production |
| Energy coal | coal used as a fuel source in electrical power generation, cement manufacture and various industrial applications. Energy coal may also be referred to as steam or thermal coal |
| Euro, euros, EUR or € | the official currency of the European Union (“EU”) member states participating in the European Monetary Union |
| Sinter | a metallic input used in the blast furnace steel-making process, which aggregates fines, binder and other materials into a coherent mass by heating without melting |
| Spanish Stock Exchanges | the stock exchanges of Madrid, Barcelona, Bilbao and Valencia |
| Steel products | finished and semi-finished steel products, and exclude raw materials (including those described under “upstream” below), direct reduced iron (“DRI”), hot metal, coke, etc. |
| Tons, net tons or ST | short tons are used in measurements involving steel products as well as crude steel, iron ore, iron ore pellets, DRI, hot metal, coke, coal, pig iron and scrap (a short ton is equal to 907.2 kilograms or 2,000 pounds) |
| Metric Tonnes or MT | metric tonnes and are used in measurements involving steel products, as well as crude steel, iron ore, iron ore pellets, DRI, hot metal, coke, coal, pig iron and scrap (a metric tonne is equal to 1,000 kilograms or 2,204.62 pounds) |
| Executive Officers | those executives of the Company who are supporting the CEO Office and jointly with the CEO Office represent the senior management of the Company |

| | |
|---|---|
| GMB | the Group Management Board, the former senior management body which was replaced by the CEO Office as of January 1, 2016. The CEO Office, supported by five Executive Officers, makes up the Company’s senior management |
| Greenfield project | the development of a new project |
| Green steel | tonnes with an auditor verified certification of the CO2 savings achieved |
| INR | Indian rupee, the official currency of India |
| Iron pellets | agglomerated ultra-fine iron ore particles of a size and quality suitable for use in steel-making processes |
| Kilometers | measures of distance are stated in kilometers, each of which equals approximately 0.62 miles, or 1000 in meters, each of which equals approximately 3.28 feet |
| KZT | the Kazakhstani tenge, the official currency of Kazakhstan |
| Metallurgical coal | a broader term than coking coal that includes all coals used in steelmaking, such as coal used for the pulverized coal injection (“PCI”) process |
| PLN | Polish złoty, the offcial currency of Poland |
| Production capacity | the annual production capacity of plant and equipment based on existing technical parameters as estimated by management |
| Ps or MXN | the Mexican peso, the official currency of the United Mexican States |
| Real, reais or R$ | Brazilian reais, the official currency of Brazil |
| ROM | run of mine - mined iron ore or coal to be fed to a preparation and/or concentration process |
| Sales | include shipping and handling fees and costs billed to a customer in a sales transaction |
| SBQ | special bar quality steel, a high-quality long product |
| Significant Shareholder | a trust (HSBC Trustee (C.I.) Limited, as trustee), of which Mr. Lakshmi N. Mittal, Mrs. Usha Mittal and their children are the beneficiaries |
| UAH | Ukrainian hryvnia, the official currency of Ukraine |
| US$, $, dollars, USD or U.S. dollars | United States dollars, the official currency of the United States |
| Upstream | operations that precede downstream steel-making, coking coal, coke, sinter, DRI, blast furnace, basic oxygen furnace (“BOF”), electric arc furnace (“EAF”), casters & hot rolling/plate mill |
| Wet recoverable | a quantity of iron ore or coal recovered after the material from the mine has gone through a preparation and/or concentration process excluding drying |
| ZAR | South African rand, the official currency of the Republic of South Africa |

EXHIBITS

## EXHIBIT INDEX

| Exhibit Number | Description |
|---|---|
| 1.1 | Amended and Restated Articles of Association of ArcelorMittal dated June 13, 2020 available at Exhibit 1.1 |
| 2.1 | The total amount of long-term debt securities authorized under any instrument does not exceed 10% of the total assets of ArcelorMittal and its subsidiaries on a consolidated basis. ArcelorMittal hereby agrees to furnish to the SEC, upon its request, a copy of any instrument defining the rights of holders of long-term debt of ArcelorMittal or of its subsidiaries for which consolidated or unconsolidated financial statements are required to be filed. |
| 2.2 | Description of ArcelorMittal securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (filed as Exhibit 2.2) |
| 4.1* | Shareholder's agreement dated as of August 13, 1997 among Ispat International N.V., LNM Holdings S.L. (renamed Ispat International Investments S.L.) and Mr. Lakshmi N. Mittal (filed as Exhibit 4.3 to Mittal Steel Company N.V.'s annual report on Form 20-F for the year ended December 31, 2004 (File No. 001-14666), and incorporated by reference herein) and available at: http://www.sec.gov/Archives/edgar/data/1041989/000095012305003893/y07225exv4w3.txt. |
| 4.2* | Memorandum of Understanding dated June 25, 2006 among Arcelor, Mittal Steel Company N.V. and Mr. and Mrs. Lakshmi N. Mittal (filed as Exhibit 99.1 to Mittal Steel Company N.V.'s report on Form 6-K (File No. 001-14666) filed with the Commission on June 29, 2006, and incorporated by reference herein) and available at: http://www.sec.gov/Archives/edgar/data/1041989/000090342306000774/mittal6k-ex991_0629.htm. |
| 4.3* | Restricted Share Units and Performance Share Units Plan effective May 10, 2011 (filed as Exhibit 4.5 to ArcelorMittal's annual report on Form 20-F filed on February 22, 2012 (File No. 333-146371), and incorporated by reference herein) and available at: http://www.sec.gov/Archives/edgar/data/1243429/000124342912000008/Exhibit4.5.htm. |
| 4.4* | ArcelorMittal Group Management Board Performance Share Unit Plan effective May 8, 2013 (filed as Exhibit 4.7 to the annual report on Form 20-F filed on February 25, 2014 (File No. 001-35788) and incorporated by reference herein) and available at: http://www.sec.gov/Archives/edgar/data/1243429/000124342914000002/exhibit47.htm. |
| 4.5* | Supplemental Terms for 2016-2017 to the GMB PSU Plan effective May 4, 2016 (filed as Exhibit 5.0 to the annual report on Form 20-F filed on February 23, 2017 (File No. 001-35788) and incorporated by reference herein) and available at: http://www.sec.gov/Archives/edgar/data/1243429/000124342917000002/ex50.htm. |
| 4.6* | Supplemental Terms for 2016-2017 to the ArcelorMittal Equity Incentive Plan effective May 4, 2016 (filed as Exhibit 5.1 to the annual report on Form 20-F filed on February 23, 2017 (File No. 001-35788) and incorporated by reference herein) and available at: http://www.sec.gov/Archives/edgar/data/1243429/000124342917000002/ex51.htm. |
| 4.7* | Supplemental Terms for 2017-2018 to the GMB PSU Plan effective May 10, 2017, filed as Exhibit 4.12 to the annual report on Form 20-F filed on February 15, 2018) and available at http://www.sec.gov/Archives/edgar/data/1243429/000124342918000007/a2017exhibit412.htm. |
| 4.8* | Supplemental Terms for 2017-2018 to the ArcelorMittal Equity Incentive Plan effective May 10, 2017, filed as Exhibit 4.13 to the annual report on Form 20-F filed on February 15, 2018) and available at http://www.sec.gov/Archives/edgar/data/1243429/000124342918000007/a2017exhibit413.htm |
| 4.9* | Supplemental Terms for 2018-2019 to the GMB PSU Plan effective May 9, 2018 filed as Exhibit 4.13 to the annual report on Form 20-F filed on February 25, 2019) and available at http://www.sec.gov/Archives/edgar/data/1243429/000124342919000005/a2018exhibit413.htm. |
| 4.10* | Supplemental Terms for 2018-2019 to the ArcelorMittal Equity Incentive Plan effective May 9, 2018 filed as Exhibit 4.14 to the annual report on Form 20-F filed on February 25, 2019) and available at http://www.sec.gov/Archives/edgar/data/1243429/000124342919000005/a2018exhibit414.htm. |
| 4.11* | Supplemental Terms for 2019-2020 Group Management Board Performance Share Units Plan effective December 12, 2019 filed as Exhibit 4.14 to the annual report on Form 20-F filed on March 03, 2020) and available at https://www.sec.gov/Archives/edgar/data/1243429/000124342920000004/a2019exhibit414.htm |
| 4.12* | Supplemental Terms for 2019-2020 Performance Share Units effective December 12, 2019 filed as Exhibit 4.15 to the annual report on Form 20-F filed on March 03, 2020) and available at https://www.sec.gov/Archives/edgar/data/1243429/000124342920000004/a2019exhibit415.htm. |
| 4.13 | Supplemental Terms for 2020-2021 Group Management Board Performance Share Units Plan effective December 12, 2020 available at Exhibit 4.13 |
| 4.14 | Supplemental Terms for 2020-2021 Restricted Share Units and Performance Share Units effective December 12, 2020 available at Exhibit 4.14 |
| 8.1 | List of Significant Subsidiaries available at Exhibit 8.1. |
| 12.1 | Certifications of ArcelorMittal's Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(a) under the Exchange Act and available at Exhibit 12.1. |
| 13.1 | Certifications of ArcelorMittal's Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) under the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code and available at Exhibit 13.1. |
| 15.1 | Consent of Deloitte Audit available and at Exhibit 15.1. |
| 15.2 | Consent of Gustavson Associates - Mexico (Las Truchas and San Jose) and available at Exhibit 15.2. |
| 15.3 | Consent of KAI Ltd. - Ukraine (ArecelorMittal Kryvyi Rih Open Pit) and available at Exhibit 15.3. |

| | |
|---|---|
| 15.4 | Consent of SRK Consulting (UK) Limited - iron ore and available at Exhibit 15.4. |
| 15.5 | Consent of SRK Consulting (UK) Limited - coal and available at Exhibit 15.5. |
| 15.6 | Consent of SRK Consulting (Canada) Inc. - Ukraine (ArcelorMittal Kryvyi Rih Open Pit) and available at Exhibit 15.6. |
| 15.7 | Consent of SRK Consulting (Canada) Inc. - AMMC and available at Exhibit 15.7. |
| 15.8 | Consent of Breton, Banville and Associates and available at Exhibit 15.8. |
| 15.9 | Consent of BMRC Geomining Solutions LLP and available at Exhibit 15.9 |
| 16.1 | Mine Safety and Health Administration Safety Data available at Exhibit 16.1. |
| 101.INS | XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document |

* Previously filed

## SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

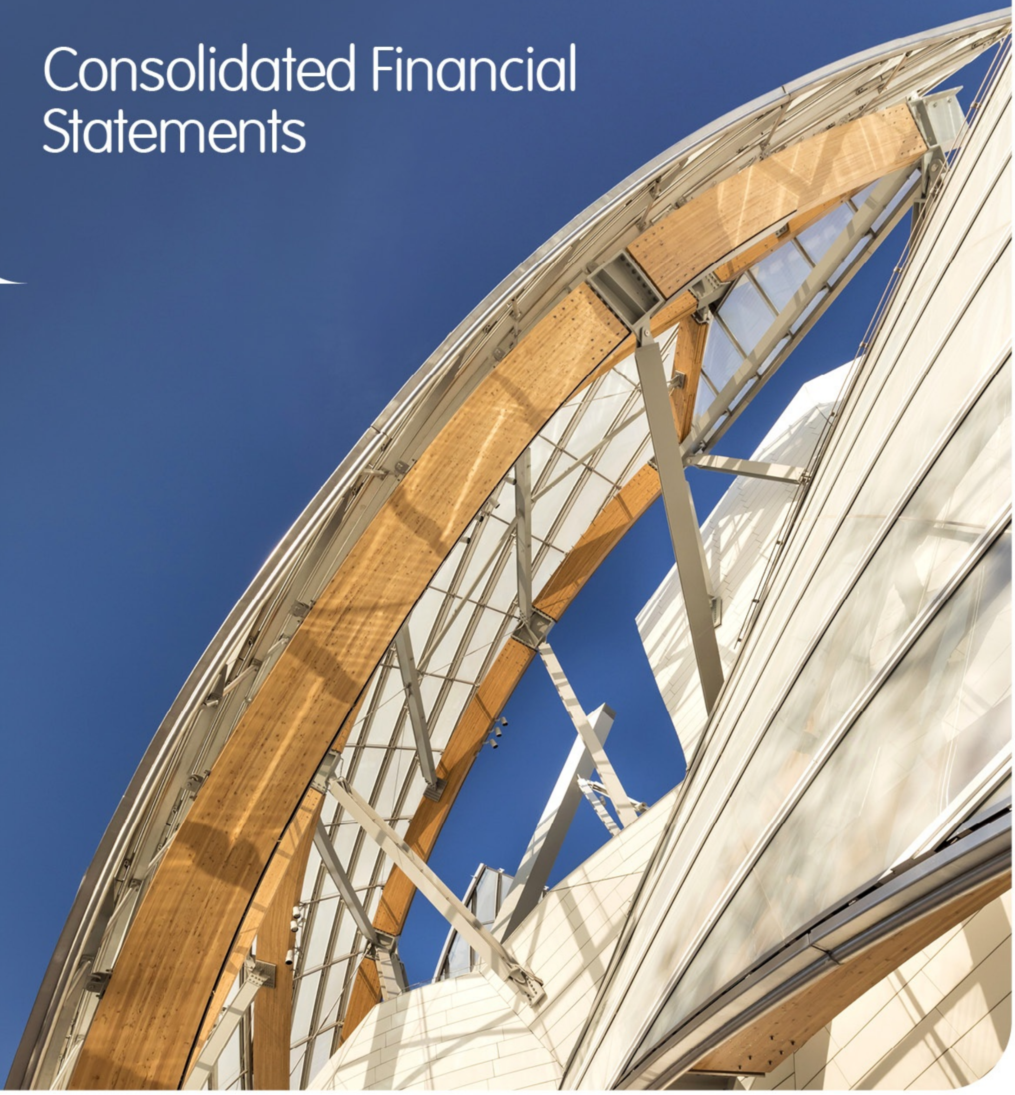
ARCELORMITTAL

/s/ Henk Scheffer
Henk Scheffer
Company Secretary

Date: March 8, 2021

ArcelorMittal

# Consolidated Financial Statements



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the shareholders and the Board of Directors of ArcelorMittal

**Opinion on the Financial Statements**

We have audited the accompanying consolidated statements of financial position of ArcelorMittal and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, other comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 8, 2021*,* expressed an unqualified opinion on the Company’s internal control over financial reporting.

**Adoption of New Accounting Standard**

As discussed in Note 7 to the consolidated financial statements, effective January 1, 2019, the Company adopted IFRS 16, *Leases*, using the modified retrospective transition approach.

**Basis for Opinion**

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current-period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

***Goodwill and Property, Plant and Equipment – Refer to Note 5.3 to the Consolidated Financial Statements***

*Critical Audit Matter Description*

The Company’s evaluation of goodwill for impairment at the group of cash-generating units (“GCGU”) level, and property, plant and equipment (“PP&E”) as part of the relevant cash-generating unit (“CGU”), involves a comparison of the recoverable amount of each GCGU or CGU to its carrying amount. Recoverable amount is defined as the higher of fair value less costs of disposal and the value-in-use for each GCGU or CGU. The Company primarily used a discounted cash flow approach to determine the recoverable amounts, which required management to make significant assumptions related to estimates of future cash flows.

The goodwill balance as of December 31, 2020, was $3,992 million. There was no impairment of goodwill recorded as of and for the year ended December 31, 2020.

The PP&E balance of the Company as of December 31, 2020, was $30,622 million. The Company recognized a net reversal of impairment charges relating to PP&E amounting to $133 million for the year ended December 31, 2020. This was comprised of the reversal of previously recognized impairment charges of $660 million related to PP&E of ArcelorMittal USA upon classification as assets held for sale, impairment charges of $331 million related to PP&E of the plate business in the Europe segment upon classification as assets held for sale, impairment charges of $92 million and $104 million related to PP&E upon permanent closure of the coke plant at the Florange site and part of a blast furnace and steel plant in Krakow, respectively.

In developing the estimates of future cash flows of its GCGUs and CGUs, the Company considered its exposure to certain climate-related risks which could affect the recoverable amount of a GCGU or CGU. Estimates of future cash flows include near-to-medium-term investment commitments for low emission technologies, as well as estimated costs expected to be incurred to acquire emission allowances. Estimates of future cash flows do not include longer-term investments which would be required to achieve carbon related goals given uncertainties around the requirements for such longer-term investments.

The assumptions used to estimate future cash flows are inherently uncertain in the context of the COVID-19 pandemic and require management judgment. The Company's process includes specific consideration given to the most recent short-, medium- and long-term price forecasts and discount rates consistent with external information, expected production and shipment volumes and updated development plans, operating costs and capital expenditure plans.

Key assumptions that had a significant impact on the Company’s estimate of the recoverable amounts of the relevant GCGUs and CGUs included volume of shipments and the discount rate. Changes in these assumptions could have a significant impact on the recoverable amount of a GCGU or CGU.

Given the significant judgments made by management to estimate the recoverable amounts of the relevant GCGUs and CGUs, performing audit procedures to evaluate the reasonableness of management’s estimates related to volume of shipments and the discount rate, specifically due to the sensitivity of these key assumptions, required a high degree of auditor judgment and an increased extent of effort, including the need to involve fair value specialists.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to volume of shipments and discount rate used by management to estimate future cash flows of the GCGUs and CGUs included the following, among others:

- We tested the effectiveness of internal controls over management’s valuation methodology and assumptions used, and estimates of future cash flows, including controls over the determination of the recoverable amount of the GCGUs and CGUs.

- We evaluated management’s ability to reasonably estimate future cash flows by comparing actual results to management’s historical forecasts.

- We evaluated the reasonableness of management’s estimates of future cash flows considering macroeconomic conditions, effects related to the COVID-19 pandemic and effects of climate-related matters, and the consistency of the estimates of future cash flows to internal and external communications of management and the Board of Directors and holding discussions with relevant personnel.

- With the assistance of fair value specialists, we evaluated the reasonableness of the discount rate by:

    - Evaluating the reasonableness of the methodology used and underlying source information used in the Company’s calculation of the discount rate.

    - Testing the mathematical accuracy of the calculation.

    - Developing an independent range of estimates and comparing the discount rate selected by management to our range.

- We evaluated the impact of any changes in management’s cash flow forecasts from October 1, 2020, the annual measurement date for testing impairment of goodwill, to December 31, 2020.

***Deferred Tax Assets - Refer to Note 10.4 to the Consolidated Financial Statements***

*Critical Audit Matter Description*

ArcelorMittal S.A. (parent company) has deferred tax assets primarily related to tax losses and other tax benefits carried forward. Under current tax law in Luxembourg, tax losses accumulated before January 1, 2017, do not expire and are recoverable against future taxable income. The valuation of deferred tax assets requires management to make significant estimates related to the future taxable income to be derived from entities within the Luxembourg tax integration and, as a result, the amounts of deferred tax assets expected to be realized by ArcelorMittal S.A. The assessment of the likelihood of future taxable profits being available, specifically the length of the forecast periods utilized, requires significant management judgment.

The deferred tax asset balance as of December 31, 2020, was $7,866 million, which is mainly related to the Luxembourg tax integration. Given the complexity of management’s valuation process, auditing management’s estimates of future taxable income, the forecast period, and the determination of whether it is probable that the deferred tax assets will be realized involved a high degree of auditor judgment and an increased extent of effort, including the need to involve tax specialists.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to estimates of future taxable income and determination of whether it is probable that the deferred tax assets will be realized included the following, among others:

- We tested the effectiveness of internal controls over management’s valuation of deferred tax assets, including the controls over the assessment of the likelihood of future taxable profits being available and the length of the forecast periods.

- With the assistance of tax specialists knowledgeable in Luxembourg-specific and international tax planning matters, we evaluated whether management’s estimates of future taxable income were consistent with available evidence related to management’s assessment of the likelihood of future taxable profits being available and the length of the forecast periods.

- We evaluated management’s ability to estimate future taxable income by comparing actual results to management’s historical forecasts, and considered the results in evaluating the current-year estimated future taxable income.

- We evaluated management’s proposed tax planning strategies, potential tax implications of material current year or future planned transactions (acquisitions, divestitures, finance and shareholding restructuring) and the related impact on management’s determination of the forecast periods and amounts of deferred tax assets recognized.

/s/ Deloitte Audit S.à r.l.

Luxembourg, Grand Duchy of Luxembourg

March 8, 2021

We have served as the Company’s auditor since 2007.

ArcelorMittal and Subsidiaries

Consolidated Statements of Operations

(millions of U.S. dollars, except share and per share data)

| | Notes | | Year ended December 31, | |
|---|---|---|---|---|
| | | 2020 | 2019 | 2018 |
| Sales | 4.1 and 12.1 | 53,270 | 70,615 | 76,033 |
| (including 5,142, 7,442 and 8,259 of sales to related parties for 2020, 2019 and 2018, respectively) | | | | |
| Cost of sales | 4.2 and 12.2 | 49,138 | 68,887 | 67,025 |
| (including 1,151, 1,092 and 1,116 of purchases from related parties for 2020, 2019 and 2018, respectively) | | | | |
| Gross margin | | 4,132 | 1,728 | 9,008 |
| Selling, general and administrative expenses | | 2,022 | 2,355 | 2,469 |
| Operating income / (loss) | | 2,110 | (627) | 6,539 |
| Income from investments in associates, joint ventures and other investments | 2.6 | 234 | 347 | 652 |
| Financing costs - net | 6.2 | (1,256) | (1,652) | (2,210) |
| Income / (loss) before taxes | | 1,088 | (1,932) | 4,981 |
| Income tax expense / (benefit) | 10.1 | 1,666 | 459 | (349) |
| Net (loss) / income (including non-controlling interests) | | (578) | (2,391) | 5,330 |
| Net (loss) / income attributable to equity holders of the parent | | (733) | (2,454) | 5,149 |
| Net income attributable to non-controlling interests | | 155 | 63 | 181 |
| Net (loss) / income (including non-controlling interests) | | (578) | (2,391) | 5,330 |

| | | | Year ended December 31, | |
|---|---|---|---|---|
| | | 2020 | 2019 | 2018 |
| (Loss) / earning per common share (in U.S. dollars) | | | | |
| Basic | | (0.64) | (2.42) | 5.07 |
| Diluted | | (0.64) | (2.42) | 5.04 |
| Weighted average common shares outstanding (in millions) | 11.3 | | | |
| Basic | | 1,140 | 1,013 | 1,015 |
| Diluted | | 1,140 | 1,013 | 1,021 |

The accompanying notes are an integral part of these consolidated financial statements.