



Fortum and H2 Green Steel have entered into a long-term frame agreement for electricity supply

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Fortum and H2 Green Steel have signed a frame agreement for electricity trading for the supply of CO₂-free electricity for H2 Green Steel's operations in Northern Sweden.

Fortum is committed to enabling industrial decarbonisation and advancing electrification. To this end, Fortum has signed a frame agreement for electricity trading with H2 Green Steel, a Swedish company dedicated to producing green steel. The frame agreement enables H2 Green Steel to purchase Fortum's carbon-free electricity on both short and long-term bases for its green steel operations in Northern Sweden.

Significant volumes of electricity are needed to power the 700-800MW electrolyzer that will generate green hydrogen. The green hydrogen will be used to reduce iron ore to sponge iron that will feed the steel production at H2 Green Steel's plant. The plant is expected to start operation in Boden in 2025.

The frame agreement is initially planned to include two deals for 2.3 TWh per year: an index-based Power Purchase Agreement (PPA) of 1.3 TWh annually (from 2026) with a five-year hedging horizon, and a fixed price PPA of 1 TWh for up to nine years (from 2027).

"The decarbonisation of industrial processes is a fundamental next step towards carbon neutrality. H2 Green Steel is one of the companies paving the way for this green industrial transition in the Nordics. We believe that the complex nature of electrification and hydrogen projects at scale require cross-sectoral partnerships as well as large amounts of clean energy", says **Rikard Dagerbäck**, Sales Manager & Strategic Customer Director, Fortum.

"Fortum takes a frontrunner position among Nordic companies supporting the region's green industrialization. Despite a historic energy crisis with record-high prices on electricity, Fortum demonstrates true sustainability leadership and takes a long-term view to solve the fundamental issue, namely the climate crisis. We are proud to bring Fortum onboard as a core partner in our energy portfolio and will continue to build our portfolio with long-term renewable electricity at competitive price-levels," says **Luisa Orre**, Chief Procurement Officer, H2 Green Steel.

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H2 Green Steel

H2 Green Steel (H2GS AB) was founded in 2020 with the ambition to accelerate the

decarbonization of the steel industry, using green hydrogen. Steel, which is one of the world's largest carbon dioxide emitters, is the company's first business vertical. The founder and largest shareholder of H2 Green Steel is Vargus, which is also co-founder of Swedish battery maker Northvolt. H2 Green Steel is headquartered in Stockholm, Sweden, with its first green steel plant under development in Boden, northern Sweden. www.h2greensteel.com

Fortum

Fortum is a Nordic energy company. Our purpose is to power a world where people, businesses and nature thrive together. We are one of the cleanest energy producers in Europe and our actions are guided by our ambitious environmental targets. We generate and deliver clean energy reliably and help industries to decarbonise their processes and grow. Our core operations in the Nordics comprise of efficient, CO2-free power generation as well as reliable supply of electricity and district heat to private and business customers. For our ~5 000 employees, we commit to be a safe, and inspiring workplace. Fortum's share is listed on Nasdaq Helsinki. fortum.com