

H2 Green Steel completes € 190 million funding round

Stockholm, August 29, 2022 – **The Swedish green impact company H2 Green Steel is securing a total of € 190 million in the first close of the series B equity financing from a selected group of investors, showing strong support for the company.**

The equity round was co-led by new investors AMF, GIC and Schaeffler, alongside existing investor Altor Fund V. Also participating in the equity raise is new investor Swedbank Robur Alternative Equity and existing shareholders Vargas, Kingspan, FAM, Marcegaglia, IMAS Foundation, Cristina Stenbeck and Daniel Ek continue to support the company with additional equity funding.

H2 Green Steel aims to transform industries that generate significant carbon emissions, starting with steel through a green hydrogen powered steel plant in Boden in Northern Sweden.

“This financing milestone is a real statement of confidence in H2 Green Steel. Despite the uncertainty in global markets, a venture like ours, with both a strong business case and a strong sustainable purpose, is clearly attractive to investors. This financing round has allowed us to combine leading industrial companies and global financial institutions, with investors with a strong Swedish participation, creating the investor-base that will set us up for success,” says Henrik Henriksson, CEO of H2 Green Steel.

After its launch in February 2021 and the close of its series A equity round the following May, the company has proceeded in record pace receiving a permissibility permit for its operations in Boden, securing a 14 TWh agreement for renewable electricity and initiating ground works and construction. Now it is reaching another milestone in financing adding to the solid group of investors from the first investment round.

H2 Green Steel has pre-sold about 60 percent of its initial volumes showcasing the demand for decarbonized steel. Customers represent a broad range of sectors including steel service centers, pipe and tube, passenger vehicles and heavy commercial vehicles, whitegoods and construction products.

Comments from investors:

“We are excited to continue supporting H2 Green Steel. It fits perfectly with our increased efforts to invest in green transition ventures, where we have made a number of other investments such as OX2, Svea Solar and Vianode. H2 Green Steel has proven the demand of its products by already having more than 50 percent of its initial volumes pre-sold to customers across a range of industries, from passenger vehicles and white goods to steel trading clients,” says Klas Johansson, Partner at Altor.

“We appreciate the opportunity to invest in a world leading industry project with the potential to be both a good deal for our savers, and an important piece of the puzzle in

the transformation to a more sustainable society. H2 Green Steel has an ambitious strategy for establishment and growth, and the outlook for a speedy start of production of the fossil free steel that is in high demand and that is very much needed in this global shift, look very good. We look forward to following the company as active and long-term owners,” says Anders Oscarsson, Head of Equity at AMF.

“H2 Green Steel is the global pioneer in producing carbon-free steel and we are excited to support the company's mission to decarbonize hard-to-abate industries. As a long-term global investor, GIC is committed to providing capital to develop solutions that decarbonize the economy. We look forward to supporting the H2 Green Steel leadership team, as they deliver on their first greenfield opportunity and meet the already-outsized demand for their product,” says Choo Yong Cheen, Chief Investment Officer of Private Equity at GIC.

Schaeffler AG has a commercial partnership with H2 Green Steel and significantly strengthens the relationship with a new technical partnership and an equity investment.

“Securing supply chains and making them more sustainable is a top priority for Schaeffler. We are proud to be an investor and a strategic technology partner for H2 Green Steel. Together we will contribute to decarbonizing supply chains. Through its participation, Schaeffler secures its long-term supply of green strip steel and significantly strengthens its network in this crucial material area,” says Andreas Schick, Chief Operating Officer of Schaeffler AG.

“By investing in H2 Green Steel, we support an efficient production of green hydrogen and green steel and thereby support a cost-competitive decarbonized industry development. The company's ambition to take a driving role in the European green hydrogen transformation to decarbonize hard-to-abate industries, is well aligned with our mission to support disruptive, transformational companies with strong management and customer propositions, and long-term sustainable competitive advantage,” says Henrik Lundh, Head of Alternative Investments at Swedbank Robur.

For further information

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About 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 and one of the larger shareholders in 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