

## H2 Green Steel partners with Midrex for technology and Kobe Steel for equity investment

Stockholm, October 11, 2022 – **H2 Green Steel is partnering with Midrex, a world leader in direct reduction ironmaking technology for the steel industry. Midrex's owner, Kobe Steel is further solidifying the partnership by investing in H2 Green Steel as part of its Series B financing round.**

H2 Green Steel will build the world's first facility for direct reduced iron (DRI) running on 100 percent green hydrogen, based on Midrex's technology. The Midrex H2 Plant will have a yearly production of 2,1 million tonnes of hot DRI and hot briquetted iron (HBI) that will feed the production of initially 2,5 million tonnes of green steel in Boden in northern Sweden. This first-of-a-kind DRI plant will be provided by a consortium of Midrex and Paul Wurth, an SMS group company.

"We started working together almost two years ago and during this time, the team at Midrex has demonstrated a capability for rapid technical development, leading to a package that wraps the world's largest hydrogen electrical heater with the DRI process, to secure a completely green solution for iron reduction. This DRI plant will truly be first of its kind and a landmark for large scale green steel production", says Maria Persson Gulda, CTO of H2 Green Steel.

H2 Green Steel's purpose is to decarbonize hard-to-abate industries, starting with steel. Its process will remove up to 95 percent of carbon emissions compared to traditional steelmaking with a blast furnace. The bulk of the emission reductions will happen with Midrex's technology when iron ore is reduced to sponge iron. The companies will also work together for optimization services in the DRI-process.

"This unique project is a 'lighthouse' to our industry and sets the standard for green steel. There is simply nothing like it – 100 percent hydrogen from day one to produce over 2 million tonnes of DRI with up to 95 percent reduction in CO<sub>2</sub>," says Stephen C. Montague, President and CEO of Midrex Technologies, Inc. "This is where Midrex wants to be – at the leading edge of technology."

Midrex is a wholly owned subsidiary of Kobe Steel, and sealing the partnership further, Kobe Steel has made an investment in H2 Green Steel. In addition, Kobe Steel has begun discussions with H2 Green Steel for the possible purchase of green HBI in the future. H2 Green Steel may have some over-capacity of HBI in the transition for the company's production to reach full capacity.

"We are really excited to cooperate with H2 Green Steel as the strategic partners from both aspects of plant supply and equity investment, in order to jointly tackle the challenge toward the global carbon neutrality. We feel confident that H2 Green Steel

project will set a good precedent in the world iron and steel industry moving forward to decarbonization.” says Kazuto Morisaki, Executive Vice President of Kobe Steel, Ltd.

“As a major Japanese steel maker, Kobe Steel’s investment in our venture clearly demonstrates the interest from incumbent steel companies in new ventures that will move the entire steel industry forward. It also adds further geographical diversification to our progressive group of investors who provide us solid support,” says Henrik Henriksson, CEO of H2 Green Steel.

### **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 Vargas, 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](http://www.h2greensteel.com)