

NEWS RELEASE

H2 Green Steel raises €1.5 billion in equity to build the world's first green steel plant

Stockholm, September 7, 2023 – In the largest private placement in Europe this year, H2 Green Steel has raised about €1.5 billion in equity from an investor group led by Altor, GIC, Hy24 and Just Climate. The round will finance the world's first large-scale green steel plant and Europe's first giga-scale electrolyzer.

The private placement is co-led by new investor Hy24, together with existing investors Altor, GIC and Just Climate. The transaction also includes new investors Andra AP - fonden and Temasek as well as a group of existing investors that continue to support H2 Green Steel with additional equity funding, including AMF, Cristina Stenbeck, Hitachi Energy, IMAS Foundation, Kinnevik, Schaeffler, Vargas and Wallenberg Investments holding company FAM.

The proceeds will finance the construction and development of H2 Green Steel's flagship large-scale green steel plant in Boden, Sweden. Groundworks have been ongoing on the site in Boden since summer 2022, and through this transaction H2 Green Steel takes another big leap towards start of operations end of 2025.

The plant will deliver steel with up to 95 percent less CO₂ emissions compared to steel produced with traditional blast furnace technology. This is made possible by replacing coal in the production process with hydrogen, produced on-site with Europe's largest electrolyzer, using electricity from renewable sources. Next-generation technology and digitalization, along with an unmatched approach to both circularity and recycling, will make the steel plant the first of its kind.

"The caliber of investors that are backing us is impressive. Some of the most professional institutions, investors and industrial companies globally are part of this round and we are proud that they all share our commitment to sustainability as their true north. €1.5 billion is the largest private placement in Europe this year and the appetite to invest in us proves both our solid business case and the market demand for green steel", says Henrik Henriksson, CEO of H2 Green Steel.

"This marks the start of industrial scale decarbonization of basic materials production. The sector will require substantial investments over the coming decades to enable our customers to produce green end products and, thereby meet their climate targets. We hope this financing will contribute towards accelerating the much needed, broad participation of capital markets in the transformation of hard-to-abate industries", says Otto Gernandt, CFO of H2 Green Steel.

Since launch in 2021, H2 Green Steel has raised more than €1.8 billion of equity in three financing rounds. The company closed its series A equity round of €86 million in May 2021 and announced the close of its series B1 round of €260 million in October 2022. On the debt side, H2 Green Steel



announced in 2022 the structure for its debt financing of over €3.5 billion and renewed commitment letters in July 2023.

Morgan Stanley & Co. International plc acted as sole financial advisor to H2 Green Steel in the private placement.

Comments from investors:

“We are impressed by the achievements to date by H2 Green Steel and excited to take the role as one of the lead investors. We will significantly increase our engagement in H2 Green Steel in this next important phase when the company is set to build the world’s first large-scale green steel plant. Over Altor’s 20 years, partnering in large industrial transformations has been at our core. H2 Green Steel also fits perfectly next to Altor’s increasingly broad base of investments in the green transition space. We look forward to extending the partnership with management and support on the path to launch operations at the end of 2025”, **says Klas Johansson, co-managing Partner at Altor.**

“Since our first round of investment, H2 Green Steel has made significant progress in building the world's first green steel plant. We will continue to support management as they work towards this first-of-its-kind project in the hard to abate industry. As a long-term investor, we are committed to providing capital to develop solutions that help decarbonize the real economy”, **says Choo Yong Cheen, Chief Investment Officer of Private Equity at GIC.**

“H2 Green Steel Boden is the most advanced large-scale, green industrial project in the world. It is a trailblazer in decarbonization of hard-to-abate industrial sectors like steel. The investment by Hy24’s clean hydrogen infrastructure fund will support the H2 Green Steel’s ambition to materially reshape steel markets, providing a green alternative to its off-takers and partners. This is part of Hy24’s commitment to help industry get to net zero”, **says Pierre-Etienne Franc, CEO of Hy24.**

“When we established Just Climate it was to invest into the hard-to-abate areas of industry that produce some of the highest levels of carbon emissions. Decarbonizing steel production is a critical piece of this industrial decarbonization process, and we are pleased to be part of the lead investor group that has today announced its support for the business”, **says Shaun Kingsbury CBE, Chief Investment Officer of Just Climate.**



For further information

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[H2 Green Steel completes €260 million equity financing to build world's first large scale green steel plant](#)

[H2 Green Steel completes € 190 million funding round](#)

[H2 Green Steel completes strong USD 105 million initial funding round to accelerate the transition into fossil-free steel making](#)

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

About Altor

Since inception, the family of Altor funds has raised more than EUR 10 billion in total commitments. The funds have invested in just south of 100 companies. The investments have been made in medium-sized predominantly Nordic and DACH companies with the aim to create value through growth initiatives and operational improvements. Among current and past investments are H2 Green Steel, Norican, OX2, Vianode, Tibber, and Svea Solar. For more information visit www.altor.com

About GIC

GIC is a leading global investment firm established in 1981 to secure Singapore's financial future. As the manager of Singapore's foreign reserves, GIC takes a long-term, disciplined approach to investing and is uniquely positioned across a wide range of asset classes and active strategies globally. These include equities, fixed income, real estate, private equity, venture capital, and infrastructure. Its long-term approach, multi-asset capabilities, and global connectivity enable it to be an investor of choice. GIC seeks to add meaningful value to its investments. Headquartered in Singapore, GIC has a global talent force of over 2,100 people in 11 key financial cities and has investments in over 40 countries. For more information, please visit www.gic.com.sg or follow on [LinkedIn](#).

About Hy24

The Clean H2 Infra Fund is managed by Hy24, a 50/50 joint venture between Ardian, a world leading private investment house, and FiveT Hydrogen, a clean hydrogen investment pureplay. The world's



H₂green steel

largest clean hydrogen infrastructure fund results from the initiative of Air Liquide, TotalEnergies and VINCI Concessions, combined with the one of Plug Power, Chart Industries and Baker Hughes, which were sharing a common objective to accelerate the development of the hydrogen sector. The fund is now up and running with €2 billion of allocations.

With strong industrial and financial expertise at its core, Hy24 will have a unique capacity to accelerate the scaling up of hydrogen solutions along the whole value chain: production, conversion, storage, supply and usage. Hy24 will support large early stage and strategic projects into becoming essential energy infrastructures. www.hy24partners.com

About Just Climate

Just Climate is an investment business dedicated to climate-led investing to address the net-zero challenge at scale. Our ambition is to identify and invest in high-impact solutions for climate mitigation, as well as to catalyse and multiply capital to scale them. We seek to harness the power of institutional capital to accelerate, and to set a new standard for, climate-led investing. For further information, please visit www.justclimate.com or 'Just Climate' on [LinkedIn](#).