

InvestEU Scoreboard¹

Presentation of the financing or investment operation:

Implementing Partner: EIB

Name of the Operation: H2 GREEN STEEL

Type of approval :

- Individual financing or investment operation or
 Framework Operation

Name of the final recipient: SPECIAL PURPOSE ENTITY(IES)/FUND

Country(-ies) of implementation: Sweden

Short description of the financing or investment operation:

The Project concerns an implementation of a 2.5 million tons per year integrated primary steel manufacturing plant based on hydrogen direct reduction (DR) technology. The greenfield plant encompasses the following components;

- a large scale hydrogen generation plant based on electrolysis,
- hydrogen based direct reduction plant for ironmaking
- combined with electric arc furnace (EAF) steelmaking and all associated downstream processing facilities.

The outcoming primary steel will have carbon footprint that is close to zero, meaning the plant will manufacture green and sustainable high quality flat steel products targeting mainly the automotive, construction, white goods, industrial equipment and energy sectors.

Public Statement

The European steel industry is a strategic sector at the heart of the EU economy, albeit steel production is energy and carbon intensive and represents about 25% of EU industrial and 4-5% of EU total CO2 emissions. The transition to carbon neutrality by 2050 thus requires the industry's transformative change, through the deployment of breakthrough clean technologies with a substantially lower environmental footprint and novel industrial processes to improve market readiness and environmental footprint as well as reduce costs.

As such, the proposed project will support the decarbonisation efforts of the steel industry via the implementation, for the first time, of innovative and breakthrough technologies for the production of low carbon primary flat steel products. This project is considered a flagship project related to the decarbonisation of the primary steel industry, which is considered a hard to abate sector. It will lead to a substantial reduction of relative GHG emissions if compared to traditional primary steelmaking.

EIB is requested to be the anchor lender to this Project and to play a catalytic role in the transaction. Both shareholders and co-lenders are looking at EIB's risk taking capacity and by offering a significant loan amount, providing financial value added to the Project the EIB contribution is considered key.

¹ This Scoreboard of indicators reflects the information presented to the InvestEU Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

Pillar 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation (Excellent)	
Pillar 4 - Financial and technical contribution by the Implementing Partner (Very Good)	
Pillar 5 - Impact of the financing or investment operation (Very Good)	
Pillar 7 - Complementary indicators²	
Key project characteristics	
Expected at PCR	
Start of works	09.2022
End of works	03.2026
Co-financing with structural funds (ESIF)	0.00 MEUR
Climate Action indicator	100.00% Mitigation - other (transversal)
Outputs	
Expected at PCR	
Annual production capacity (Industry)	2.50 Mt/yr
Compliance with Best Available Technologies (BAT)	Yes
National or international patents granted	0.00 Units/yr
% of Development Projects translated into manufacturing stage	0.00 %
Outcomes	
Expected at PCR	
Percentage of promoter's sales supported by the project	100.00 %
Percentage of promoter's employment supported by the project	100.00 %
Digital transformation impact	3 - Very Good

² The abbreviation PCR stands for Project Completion Report. EIB internal methodologies are used in order to calculate the figures presented in this document. The Promoter's estimates might differ.