

**PRESS RELEASE**

KOMMUNALKREDIT AUSTRIA AG

**Kommunalkredit strongly supports H2 Green Steel****Clear commitment to driving decarbonisation efforts forward**

Vienna, 30/01/2024

Kommunalkredit Austria AG (Kommunalkredit) participated in the financing for the construction of the world's first steel plant that will produce green steel based on green hydrogen and electricity. The plant with an initial capacity of 2.5m tonnes is being built near Boden in northern Sweden. Due to the innovative production process, which will save around 95% of CO<sub>2</sub> emissions compared to conventional steel production, this plant will play a pivotal role in achieving the European climate protection targets.

Overall, H2 Green Steel has secured funding amounting to EUR 6.5bn in total, including a financing package comprising of EUR 3.5bn senior debt, EUR 600m junior debt, added equity of close to EUR 300m and has been awarded a EUR 250m grant from the Innovation fund.

Kommunalkredit underwrote EUR 100m under the junior debt facility, thus being the second largest lender in the junior debt, in addition to EUR 35m under Export Credit Agency (ECA) covered senior tranches.

As Kommunalkredit CEO Bernd Fislage points out: "We want to accelerate the energy transition and drive decarbonisation efforts forward. H2 Green Steel is the most advanced large-scale greenfield near zero emissions steel production facility in the world, drastically reducing CO<sub>2</sub> emissions. Not only do we applaud this innovative approach, but we are also convinced that this is the right thing to do. We are proud to support this lighthouse project and contribute towards a greener tomorrow."

This financing underscores Kommunalkredit's support of new technologies and ground-breaking ideas early on. Just as the joint investment with OMV in the construction of Austria's largest electrolysis plant to produce green hydrogen, this serves as testament to the potential green hydrogen holds as a clean energy source.

National climate and energy plans as well as the European Green Deal, all have ambitious goals. Kommunalkredit strongly supports these endeavours, focusing on generating positive impact and shaping the future in a sustainable way for many years.

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## Contact

### **Kommunalkredit Austria AG**

Corporate Communications

P + 43 1 31631 153 or +43 1 31631 593

M [communication@kommunalkredit.at](mailto:communication@kommunalkredit.at)

Kommunalkredit is a specialist for infrastructure and energy financing. Together with its customers as partners, the bank creates values that continuously improve people's lives. In doing so, it facilitates the construction and operation of infrastructure facilities by balancing the financing needs of project sponsors and developers with the growing number of investors looking for sustainable investment opportunities. Main investment segments are energy & environment | communications & digitalisation | transportation | social infrastructure | natural resources.