

Joint Press Release

Salzgitter AG, E.ON and Linde start operating an industrial hydrogen production plant based on electricity from wind power

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Page: 1 / 3

The three project partners Salzgitter AG, E.ON subsidiary Avacon and Linde have taken an important and unprecedented step towards decarbonizing the steel industry. With the commissioning of the "Wind Hydrogen Salzgitter - WindH2" sector coupling project, the only one of its kind in Germany, green hydrogen will in future be produced on the site of the Salzgitter steelworks using electricity from wind energy.

WindH2 is a central component of the SALCOS® - Salzgitter Low CO₂ Steelmaking technology project developed by Salzgitter AG. SALCOS describes the most efficient and timely way to reduce CO₂ emissions, and in the long term even to achieve almost CO₂-free steel production. Hydrogen generated from renewable sources will replace the carbon previously required for iron ore smelting. The three blast furnaces currently in operation will have to be gradually replaced by a combination of direct reduction plants and electric arc furnaces. Such a transformation of steel production could reduce CO₂ emissions by around 95 percent by 2050.

The newly constructed facilities were presented to the public today in Salzgitter. Among those present at the opening were State Secretary Andreas Feicht, Federal Ministry for Economic Affairs and Energy; Dr. Bernd Althusmann, Lower Saxony Minister for Economic Affairs, Labor, Transport and Digital Affairs; Olaf Lies, Lower Saxony Minister for the Environment, Energy, Building and Climate Protection; Dr. Johannes Teyssen, CEO of E.ON SE; Marten Bunnemann, CEO of Avacon AG, and Prof. Dr.-Ing. Heinz Jörg Fuhrmann, CEO of Salzgitter AG.

Avacon operates seven newly constructed wind turbines with a total capacity of 30 megawatts on the Salzgitter AG site. Salzgitter Flachstahl GmbH has installed two Siemens 1.25 megawatt PEM electrolysis units centrally on the plant site, which will generate around 450 cubic meters of high-purity hydrogen per hour. Hydrogen is already used in steel production for annealing processes and in the hot-dip galvanizing lines. Industrial gas producer Linde currently supplies the gas by truck and will continue to ensure a continuous supply of hydrogen in the future. All the plants are currently in trial operation. With "WindH2", the partners want to gain know-how and experience with the on-site production of wind power and hydrogen, as well as their integration into the complex procedures and processes of an integrated steelworks. The costs for the entire project amount to

2 / 3

around 50 million euros. The construction of the electrolysis plant was funded by KfW.

Statements by the speakers at the opening event:

Prof. Dr.-Ing. Heinz Jörg Fuhrmann, Chairman of the Executive Board of Salzgitter AG: "We are proud to be pioneers in the industrial use of green hydrogen in the steel industry. As demonstrated by our SALCOS project, we are technologically capable of achieving significant CO₂ reductions using hydrogen. The "Wind Hydrogen Salzgitter- WindH2" sector coupling, which is unique in Germany to date, is a significant building block on the way to climate-friendly steel production."

State Secretary Andreas Feicht, Federal Ministry for Economic Affairs and Energy: "The "Windwasserstoff Salzgitter - WindH2" project was supported by the Federal Ministry for Economic Affairs and Energy with 1.1 million euros from the federal funding for energy efficiency in the economy. With the sector coupling of wind energy and hydrogen production, the project implements one of the objectives of the German government's National Hydrogen Strategy: The use of climate-friendly hydrogen produced from renewable energies is a key element for decarbonization in industry."

Dr. Johannes Teysen, CEO of E.ON SE: "Green gases have what it takes to become the "staple" of the energy transition and make a significant contribution to decarbonizing industry mobility and heat. The jointly implemented project symbolizes a milestone on the way to virtually CO₂-free steel production and shows that intelligent sector coupling can replace fossil fuels."

Dr. Bernd Althusmann, Lower Saxony's Minister for Economic Affairs, Labor, Transport and Digital Affairs: "In view of the climate targets, the decarbonization of steel production with the aid of green hydrogen is a milestone for the German steel industry. I am all the more pleased that Lower Saxony, through Salzgitter AG, is pioneering this development nationwide and is launching a promising project with WindH2. With its pioneering work, Salzgitter is providing the blueprint for future climate-friendly production technologies at the German industrial site and at the same time securing qualified jobs in Lower Saxony."

Marten Bunnemann, CEO of Avacon AG: "With the wind farm on the industrial site of Salzgitter AG, we are supplying renewable electricity for the production of green hydrogen. This is used directly within the production processes and replaces fossil fuels. The entry into the hydrogen economy is emerging in regional stand-alone solutions, such as in Salzgitter, which are increasingly being combined to form an overall system. We will continue to drive this process forward together with our partners in politics, science and industry."

3 / 3

Olaf Lies, Lower Saxony Minister for the Environment, Energy, Building and Climate Protection: "What many thought was a wild vision of the future a few years ago is happening here: the gradual decarbonization of steel production. Climate protection in the energy and industrial sector is much more than just electricity from renewable sources. This is about securing highly skilled jobs and further developing our industrial base. As the cost of CO₂ rises, green steel will also become increasingly economical. The world is therefore watching with interest to see what is being created here. The pioneering work done here has every chance of becoming a 'Made in Germany' export hit."

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