



24 May 2024

Ferrexpo plc
("Ferrexpo" or the "Group")

Ferrexpo and Salzgitter to further green steel co-operation

Ferrexpo plc (LSE: FXPO) and Salzgitter Flachstahl GmbH - a subsidiary of Salzgitter AG - announce the consolidation of their long-standing cooperation. The companies have signed a Memorandum of Understanding ("MoU") for the supply of high-quality direct reduction iron ore (DR) pellets for low-carbon steel production.

Highlights

- Memorandum of Understanding for the use of high-quality iron ore pellets in SALCOS[®], Salzgitter's operational decarbonisation programme
- Joint development of raw material feed strategies and green supply chains

Yaroslava Blonska, Acting Chief Marketing Officer of Ferrexpo, commented:

"Ferrexpo and Salzgitter have been working together since 2016. As Europe transitions to greener steel production, it is gratifying to have agreed terms for our cooperation well into the future. Ferrexpo's DR pellets can lower steel making emissions significantly as part of the SALCOS[®] programme. The agreement with Salzgitter reinforces Ferrexpo's position as a leading supplier in Europe and will also benefit the wider Ukrainian economy during a challenging time and subsequently during the post-war reconstruction period."

Gerd Baresch, Technical Director of Salzgitter Flachstahl GmbH, commented:

"We are delighted to continue our long-standing cooperation with Ferrexpo and look forward to intensifying these activities within the context of our SALCOS[®] transformation programme. Ferrexpo is a strong partner in the decarbonisation of our production processes and logistics chains. The agreement reached will help us to reduce carbon emissions along the supply chains and drive green steel production forward."

Ferrexpo's DR pellets will be used as part of the SALCOS[®] programme, in which Salzgitter is incrementally converting its steel production to hydrogen-based processes and technologies. Steel production using SALCOS[®] requires iron ore pellets of very high quality and this MoU demonstrates Salzgitter's confidence in the high quality and availability of Ferrexpo's products. The SALCOS[®] programme will be completed from a technical perspective by 2033.

As part of the MOU, Ferrexpo and Salzgitter Flachstahl GmbH will also seek to identify the most suitable raw material feed strategies for hydrogen-based steel production in direct reduction plants as well as optimising their green logistics chains, freight and inventory management

Ferrexpo and Salzgitter Flachstahl management at Salzgitter's operations in Germany



From left to right: Lucio Genovese (Executive Chair of Ferrexpo), Yaroslava Blonska (Acting Chief Marketing Officer of Ferrexpo) and Gerd Baresch (Technical Director of Salzgitter Flachstahl GmbH)

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Ferrexpo plc is a Swiss headquartered iron ore company with assets in Ukraine and a premium listing on the London Stock Exchange in the FTSE 250 index (ticker FXPO). The Group produces high-grade iron ore pellets, which are a premium product for the global steel industry and enable reduced carbon emissions and increased productivity for steelmakers when the Group's iron ore pellets are converted into steel, compared to more commonly traded forms of iron ore. Ferrexpo's operations have been supplying the global steel industry for over 50 years. Before Russia's invasion of Ukraine in February 2022, the Group was the world's third largest exporter of pellets to the global steel industry. The Group has a customer base comprising of premium steel mills around the world. For further information, please visit www.ferrexpo.com.

Salzgitter AG ranks as one of Germany's leading steel and technology groups. As a pioneer in the circular economy, they focus on sustainable innovation and on transforming products and processes within the steel production, steel processing, trading and technology sectors. With the "Salzgitter AG 2030" strategy and anchored in the principle of "Pioneering for Circular Solutions", the Group is setting new benchmarks in the industry. Salzgitter's aspirations are realised through strong initiatives and programmes such as SALCOS® - Salzgitter Low CO₂ Steelmaking. Through partnerships, and in networks, Salzgitter is actively driving the process of development towards a circular economy. With around 25,000 employees worldwide at 160 national and international subsidiaries and associate companies, they live up to their global aims for growth, profitability and their pioneering position. In the financial year 2023, they generated external sales of around € 11 billion, with a crude steel capacity of 7 million tons. For further information, please visit <http://www.salzgitter-ag.com>

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