



Lhyfe and Swiss Steel Group subsidiary Ugitech sign an MoU to decarbonise the steelmaker's operations using green hydrogen

Nantes and Ugine (France), 30 April 2024, 7:30 am – **Lhyfe (EURONEXT: LHYFE)**, one of the world's pioneers in the production of green and renewable hydrogen, and **Ugitech**, a subsidiary of Swiss Steel Group, the world leader in long stainless steel products, have announced the signing of a memorandum of understanding for the creation of a green hydrogen production unit at Ugitech's Ugine site (Savoie, France), to decarbonise part of the steelmaker's industrial operations and help decarbonise local mobility. This site, which is to be located in the heart of the French Alps where the 2030 Winter Olympics will be held, should also contribute to a sustainable model of winter tourism. This is the first agreement in Europe to replace fossil fuels with green hydrogen in the stainless steel sector.



Caption : view of Ugitech's Ugine steel plant.

As part of its roadmap for decarbonising its business, Swiss Steel Group, one of the world's largest producers, processors and distributors of long special steel products, has decided to use green hydrogen at the Ugitech plant in Ugine, to replace the natural gas used in some of its thermoprocessing equipment (burners, reheating furnaces, heat treatment furnaces, etc.) and thus decarbonise part of its industrial processes. The steelmaker, which produces around 200,000 tonnes of steel a year, has selected Lhyfe to support it in this energy transition. This

project could avoid emitting 16,000 tonnes of CO₂ a year¹.

Lhyfe, which is signing its first memorandum of understanding with a steel manufacturer, already has three production sites and is currently building several sites in Europe.

Plans to produce up to twelve tonnes per day to decarbonise Ugitech's operations and develop hydrogen mobility in the region

Lhyfe plans to install a green hydrogen production unit with a capacity up to twelve tonnes per day (a maximum electrolysis capacity of 30 MW), at Ugitech's Ugine plant. This green hydrogen would be used mainly at the Ugitech plant, supplied via a pipeline. Lhyfe would also supply hydrogen to local mobility and industry players, to help develop the local hydrogen ecosystem, particularly in the run-up to the 2030 Winter Olympics.

The two partners are now entering the feasibility study phase of the project. Implementation of the project will be subject to the conclusions of this study, the granting of operating licences and building permits, and financial investment decisions.

Philippe Desorme, Vice Chief Executive Officer at Lhyfe: *"We are delighted to sign this memorandum of understanding with Ugitech, whose commitment to decarbonisation we commend. The steel sector is a major consumer of fossil fuels and is one of the industrial sectors that should be decarbonised as a priority. The energy transition is going to become increasingly necessary to ensure the long-term survival of our industries, and green hydrogen is emerging as one of the pillars of this transition. It can and must now be deployed as quickly as possible, including in the steel sector."*

Frédéric Perret, Director of Development at Ugitech: *"Ugitech is coordinating the HYDREAMS project, which aims to demonstrate the feasibility of substituting natural gas with decarbonised hydrogen in thermal steel transformation processes (reheating and heat treatment furnaces). HYDREAMS has nine European partners and has received a grant from the European RFCS fund. Using laboratory tests and industrial demonstrators, this project, which started in April 2023 and ends in October 2027, will verify that hydrogen combustion will have no negative impact on processes and products. The next step is to roll out this new solution to all systems for which direct electrification is not a compatible option. This is the purpose of this MoU with Lhyfe."*

About Lhyfe

Lhyfe is a European group devoted to energy transition, and a producer and supplier of green and renewable hydrogen. Its production sites and portfolio of projects intend to provide access to green and renewable hydrogen in industrial quantities, and enable the creation of a virtuous energy model capable of decarbonising entire sectors of industry and transport.

In 2021, Lhyfe inaugurated the first industrial-scale green hydrogen production plant in the world to be interconnected with a wind farm. In 2022, the company inaugurated the first offshore green hydrogen production pilot platform in the world.

In 2023, it inaugurated its second and third sites, and currently has several sites under construction or expansion across Europe.

Lhyfe is represented in 12 European countries and had 195 staff at the end of December 2023. The company is listed on the Euronext market in Paris (ISIN: FR0014009YQ1 – LHYFE).

[Lhyfe.com](https://www.lhyfe.com)

¹ Scope 1 of the carbon footprint, which covers all direct greenhouse gas emissions resulting from the company's activities (source: Ugitech).

About Ugitech

Ugitech is a production unit of the Swiss Steel Group, one of the leading producers of long special steels listed on the SIX Swiss Exchange. Its headquarters are in Lucerne (Switzerland).

Ugitech is one of the world's leading manufacturers of long stainless steel products. Its main products – billets, bars, wire rod and drawn wire – come from its steelworks and are processed in its hot-rolling mill and wire-drawing mills. Stainless steels possess excellent mechanical properties. They are used to manufacture a wide range of parts, including valves, turbine components, welding rods and surgical instruments. With over 115 years' experience in steelmaking and constant research into metallurgy, the company guarantees customers optimum solutions for highly demanding applications, in markets such as the automotive, construction, process, aerospace and medical industries.

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