

Press release

Blastr Green Steel and SFE pursue clean energy partnership for planned pellet plant in Norway

Oslo, Norway, October 18, 2023. **Blastr Green Steel (Blastr) has signed a Letter of Intent (LOI) with the leading regional power company Sogn og Fjordane Energi (SFE) for long-term supply of clean electricity to Blastr's pellet plant at Lutelandet on the west coast of Norway, which is considered as a potential location for supplying feedstock to Blastr's ultra-low CO₂ steel plant currently under development in Inkoo, Finland.**

"This is an important step towards securing power capacity and grid connection for the potential pellet plant at Lutelandet which will leverage renewable hydro and wind power to accelerate the development of a decarbonized steel value chain," said Hans Fredrik Wittusen, the CEO of Blastr Green Steel. "We are very pleased with the support from SFE and other key regional partners as we progress the development plan for the Lutelandet site."

In August, Blastr selected the Lutelandet industrial area as a potential location for the development of a plant for converting iron ore pellet feed into direct reduction (DR) pellets. The site has established industrial infrastructure, access to renewable energy and a deepwater port at a strategically placed North Sea location.

Under the LOI, Blastr and SFE will work together to establish a long-term power supply agreement. The parties target signing a final agreement by the end of 2025, subject to Blastr attaining relevant regulatory approvals and making a final investment decision for the Lutelandet plant.

"We support the development of new green industries in western Norway based on clean energy and look forward to working closely with Blastr to establish a long-term power supply agreement for their green pellet plant," commented Bengt Jostein Haugnes, Head of Energy & Markets at SFE. "The LOI reflects our joint commitment to work towards realizing an important decarbonization project which may create a large number of jobs and significant value creation in Fjaler municipality."

The pellet plant is a key part of Blastr's integrated green steel value chain which has the potential to deliver more than 90% reduction of Scope 1-3 CO₂ emissions compared to conventional steelmaking. Blastr's integrated value chain currently being developed will enable a unique, profitable business model with a record low CO₂ footprint for industrial-scale steel production and

a platform for further growth. The plant will employ around 120 people and generate a substantial number of indirect jobs and economic activity in the surrounding area. The estimated investment is around EUR 1.2 billion.

Blastr aims to produce 6 million metric tonnes (Mt) annually of high-quality DR pellets as feedstock for its ultra-low CO₂ steel plant planned in Inkoo, Finland. Approximately half of the pellet volumes will go to its Inkoo steel plant, while the rest will be sold to Cargill Metals for distribution to the growing world market for DR pellets.

In August, Blastr signed an LOI with Lutelandet Offshore Site & Drydock and Htwo-Fuel to explore Lutelandet as a potential location for its pellet plant. Blastr also has an LOI with Redcar Bulk Terminal (RBT) at Teesside, United Kingdom, as another potential location for the pellet plant. By considering two sites in parallel, Blastr maintains optionality during the development process to optimize the green steel value chain. Final site selection is targeted by the end of 2023, and the final investment decision for the pellet plant is expected in 2025, subject to relevant permits and agreements.

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About Blastr Green Steel

Blastr aims to decarbonize the steel industry, by creating an integrated green steel value chain leveraging Nordic advantages. By utilizing local raw materials and fossil-free energy and applying a circular economy thinking throughout the value chain, the company aims to produce 2.5 million tonnes of cost-competitive, ultra-low CO₂ steel, with ~90% lower scope 1-3 emissions than conventional steel production. We will establish production facilities in the Nordic Region, with its ambitious political energy transition agenda, deep ice-free ports giving access to the attractive European markets, and highly qualified workforce. Blastr Green Steel will be one of the largest industry start-ups in the Nordic region. Blastr Green Steel is part of Vanir Green Industries. For more information, visit www.blastr.no.

About Vanir Green Industries (VGI)

VGI is a Nordic business builder and investment company that builds and scales leading, sustainable, robust, and profitable companies that will help accelerate the energy transition. VGI was founded by Tore Ivar Slettemoen, who also founded NYSE-listed Freyr Batteries. In addition to Blastr, the VGI portfolio consists of Removr developing solutions for capturing and storing CO₂, Freija developing technology for producing green

methane, and Njordr focusing on onshore and offshore wind power projects. Njordr's subsidiary Nordi develops renewable energy projects in Finland.

About SFE

SFE is one of the largest energy companies in Western Norway, and its core business is the production of electricity from hydropower and wind power. SFE fully or partly owns 31 power plants and operates 28 of them. Annual production is about 2.4 TWh. SFE owns Lutelandet wind farm 100%.