

thyssenkrupp and EP Corporate Group enter into strategic partnership

- EP Corporate Group acquires 20 percent of thyssenkrupp's steel business
- Further talks about the acquisition of a further 30 percent
- Partnership combines the materials capabilities of thyssenkrupp Steel Europe with the energy expertise of EP Corporate Group for the decarbonization of the steel industry
- Next step in the multi-year process towards full entrepreneurial independence of thyssenkrupp Steel Europe

thyssenkrupp AG and EP Corporate Group a.s. (consecutive EPCG) today agreed on EPCG's acquisition of a stake in thyssenkrupp's steel business. EPCG will acquire 20 percent of thyssenkrupp' steel business. The parties agreed not to disclose any valuation of the transaction. The transaction is expected to close in the current fiscal year of thyssenkrupp AG, subject to the approval of the relevant authorities and the Supervisory Board of thyssenkrupp AG. In addition, the parties are discussing the acquisition of a further 30 percent of the steel business by EPCG. The aim is to form an equal 50/50 joint venture.

The strategic partnership with EPCG, a leading European energy company, is an important step that contributes to a resilient, cost-efficient and climate-friendly steel production at thyssenkrupp Steel - and thus also a significant contribution to safeguarding the future of the steel industry in Germany. The entry of the EPCG combines the leading materials know-how of thyssenkrupp Steel Europe with the energy expertise of EPCG.

"Our goal is a future concept that leads to economic independence and business success for thyssenkrupp Steel, meets the requirements of climate protection, avoids compulsory redundancies and is widely accepted. The cooperation with EPCG demonstrates the confidence of both partners in the successful future of our steel business," said **Miguel López, Chairman of the Executive Board of thyssenkrupp AG**. EPCG is acquiring 20 percent of the steel business at this time and under the current market conditions in order to play an active role in shaping and realigning thyssenkrupp Steel. "Together, we want to create a high-performance, profitable and future-oriented steel company that reduces the costs of decarbonization to a more competitive level and thus accelerates the green transformation of the steel industry on the way to CO₂ neutrality. A strong energy partner such as the EPCG is indispensable for this", emphasized López.

Daniel Křetínský, CEO and majority owner of EPCG, said: "Reaching an agreement on the acquisition of the 20 percent share in thyssenkrupp Steel Europe is an initial step on the envisaged path that shall

eventually lead towards a bigger leap in the planned strategic partnership. EPCG has successfully navigated dynamic market conditions in the energy sector, while remaining financially strong, growing, and a reliable provider of energy and services to our clients. On this basis, we are convinced that this Joint Venture concept will establish a more resilient position for thyssenkrupp Steel. As the entire European steel sector will undergo a similar transformation to the energy sector. We pay great respect to thyssenkrupp Steel as one of the traditional pillars of the German economy and feel honored to join forces in the landmark transformation process to shape a sustainable future. Together, we will make an important contribution to the decarbonization of the steel industry.”

Blueprint for decarbonizing the steel industry

thyssenkrupp has already taken the first steps towards decarbonizing its steel production. In March this year, construction work began on the first hydrogen-capable direct reduction plant with two melters at the Duisburg site. thyssenkrupp Steel is investing around three billion euros in the construction of the plant. The federal government and the state of North Rhine-Westphalia are supporting the total investment in the project with around two billion euros. The project is regarded as a blueprint for the decarbonization of the industry and a changemaker in the European hydrogen economy landscape. The state-supported switch to hydrogen as the primary energy source for steel production will significantly increase the demand for green electricity in the coming years. Around ten terawatt hours (TWh) of green electricity will be required annually for the first CO₂-neutral direct reduction plant alone.

The reliable procurement of sufficient quantities of green electricity at competitive prices is critical to the success of the transformation of the steel industry. While the energy costs for the production of a slab of crude steel previously accounted for around ten percent of total costs, this figure will rise to up to 50 percent in the future with CO₂-neutral, hydrogen-based processes.

As a strategic partner of thyssenkrupp, EPCG will use its expertise to ensure a sufficient supply of energy in the form of hydrogen, green electricity as well as the provision of other energy commodities. As an energy producer, trader, supplier, and distributor, EPCG, which operates in nine European markets, has extensive industry knowledge. In 2023, EPCG’s energy assets together generated 72.5 terawatt hours (TWh) of net electricity, making EPCG one of Europe’s leading energy producers. EPCG currently has a generation capacity of around 22 terawatts (TW) of net installed capacity in Europe, contributing significantly to reliability of the European energy supply. At the same time, EPCG is taking significant steps in the field of renewable energy. In Germany alone, EPCG plans to expand its renewable energy generation capacity with over eight gigawatts (GW) to be built by 2030. The focus lies on wind, solar, and biomass. For example, construction has already begun on Germany’s largest floating solar plant on the Cottbuser Ostsee lake in Lusatia.

Additional quantities of green electricity, hydrogen, and initially also natural gas could be provided to the steel production in Duisburg via EPCG’s energy trading if required. There are also useful interfaces for both companies in project management and in the implementation of major green transformation projects. For example, EPCG is both operating and developing large energy storage solutions as well as hydrogen-ready gas-fired power plants in Germany to mitigate peak loads and maintain security of supply in the event of insufficient electricity production from wind and solar energy.

Realignment of thyssenkrupp Steel Europe

With the expansion of the shareholder base and the realignment, thyssenkrupp Steel Europe is at the beginning of a multi-year process with the aim of achieving full entrepreneurial independence. Existing company and collective agreements are not affected by the planned expansion of the shareholder base.

Key elements for the independence of thyssenkrupp Steel are the sustainable business plan, which is currently being drawn up, including investment planning, and a capital base which, in addition to the construction of a hydrogen-capable direct reduction plant, also takes into account further steps towards a climate-friendly transformation at competitive conditions.

About thyssenkrupp Steel Europe

thyssenkrupp Steel Europe is one of the world's leading manufacturers of carbon steel flat products and stands for innovation in steel and high-quality products for the most demanding applications. With around 27,000 employees thyssenkrupp Steel is currently the largest flat steel producer in Germany. The business activities range from customized material solutions to material-related services.

About EP Corporate Group

EP Corporate Group is one of the leading private industrial groups and a long-term investor in Europe, founded on energy and infrastructure and later diversified into other sectors including food wholesale, food and other consumer retail, logistics, media, and e-commerce. Companies in which EP Corporate Group is the controlling shareholder or exercises the majority of voting rights have revenues of around €100bn and annual EBITDA of €8bn. Across Europe, EP Corporate Group operates vital energy and infrastructure assets including gas pipelines and gas storage facilities, power plants and electricity networks.

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