

## Agreement: Cortus Energy will produce renewable energy for Höganäs AB's production

**Höganäs AB and Cortus Energy have today concluded a long-term agreement to establish a continuous supply of renewable energy gas and other energy products on a commercial scale.**

**"This is an important and pioneering step on our way to using renewable energy sources in our production," says Melker Jernberg, CEO of Höganäs AB. We want to contribute to a sustainable society, which means, among other things, that we minimize our carbon dioxide emissions. To succeed, innovative solutions are required, which are tested in real production.**

Collaboration between Höganäs and Cortus Energy is still under the Probiostål project, a project funded by, inter alia, the Iron and Steel Society of Sweden and funded by the Swedish Energy Agency. Projects and preparations are currently underway to build a 6 megawatt WoodRoll® facility at Höganäs Industrial Area in Höganäs. In the new plant biomass will be gasified to energy gas. For the plant, Cortus Energy has also received support from the Swedish Environmental Protection Agency (through the facility "Klimatklivet").

"The collaboration with Höganäs is gratifying based on their worldwide business, genuine operations and technical foresight," says Rolf Ljunggren, CEO of Cortus Energy. "They are both a demanding customer and pioneers in new technology, not just their own but now also renewable energy through our project."

The first step in the cooperation aims at testing the technology under real conditions and adapting the process so that the energy gas meets the requirements of Höganäs metal powder production. Because a WoodRoll® plant carburizes biomass, so-called green carbon is a by-product in the process. This is also an attractive material for Höganäs because it could replace parts of the carbon used as a reducing agent in the production of raw powder, called iron sponge.

"Our type of production places high demands on both energy and raw materials," says Nicklas Lång, Sustainability Director and Chief Legal Officer at Höganäs AB. "For us, it is an important task and part of our long-term strategy to switch from fossil fuels to renewable energy. To succeed, it is important that we engage and invest resources in exploring new opportunities."

The plan is to start testing the energy gas in Höganäs production in the first half of 2018. After completion of the tests, the plant will be scheduled for regular delivery of renewable energy products, which means annual sales of approximately MSEK 15 for Cortus Energy from 2019. This will be a breakthrough for renewable energy gas in industrial Processes in Sweden.

### **Facts / Probiostål**

Probiostål was started in 2014 with a preliminary study in which academia and industry participated. The purpose was to investigate the possibilities of producing renewable energy on a commercial scale for use in Höganäs metal powder production.

Financing is based on contributions from the Swedish Environmental Protection Agency and Energy Agency, Höganäs AB, industrial partners, natural resources (in), banks and equity. Cortus will lead the implementation. Other players contributing to Probiostål are ABB, Calderys, SSAB, Sveaskog, Södra and Outokumpu. KTH and Swerea will evaluate real results in relation to previous theoretical studies that are published in 2015 and 2016.

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**About Cortus Energy**

Cortus Energy develops and markets the unique WoodRoll technology which gasify biomass in a new innovative manner that results in a number of unique advantages over all other existing gasification technology. With the patented WoodRoll technology Cortus Energy offers green energy solutions for power, industrial and transportation applications. WoodRoll has great feedstock flexibility, which means that the process can utilize low-grade renewable feedstock without compromising the process performance.

Cortus Energy's shares are traded on Nasdaq First North, Stockholm, Sweden. Mangold Fondkommission AB, tel +46 8-503015 50, is the Company's Certified Adviser.

[www.cortusenergy.com](http://www.cortusenergy.com)

**About Höganäs AB**

Höganäs is a world leader in the iron and steel powder market with an annual capacity of 500,000 tonnes. Together with its customers, Höganäs develops solutions for tomorrow's vehicle components, high temperature soldering, electrical motors, additive manufacturing and water purification. In 2016, sales amounted to SEK 7.3 billion. Höganäs, founded in 1797, is owned by Lindéngruppen and Wallenberg-owned FAM.

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