

PRESS RELEASE

Düsseldorf, April 21, 2021

SMS group takes over Paul Wurth industrial activities from its current Luxembourg Public Shareholders



- Luxembourg to become a global innovation center for metallurgy and hydrogen technology within SMS group
- SMS and Paul Wurth to combine research on decarbonization and recycling

SMS group, a leading international plant engineering company for the metals industry, has acquired the remaining 40.8 percent of Paul Wurth S.A. These shares were previously held by the Luxembourg state and state-owned banking organizations. As such, SMS

has become the sole owner of Paul Wurth's plant engineering business, strengthening its competence in metallurgy and hydrogen technology.

With this step, the Luxembourg site will be expanded to become the research and development center (R&D Center) for decarbonization and recycling within SMS group. To this end, SMS and Paul Wurth are pooling their research and development activities with the common aim of continuing to set technological standards in these forward-looking fields. The future range of services includes all technologies for reducing CO₂-emissions in existing steel mills; hydrogen-based, CO₂-free direct reduction of iron ore; and Power-To-X technologies for producing synthetic fuels and downstream products. In addition, the international teams of experts from SMS and Paul Wurth will continue to work on expanding the product and service offering across the entire metals industry process chain.

As part of the transaction, a strategic partnership was also agreed with the University of Luxembourg to strengthen scientific research and development of hydrogen technologies at the Luxembourg site. With financial support from Paul Wurth, the university has already established a chair for energy process technology.

Paul Wurth's real estate activities in Luxembourg will be transferred to a new company in which the Luxembourg public shareholders and SMS will each hold stakes.

Georges Rassel, CEO of Paul Wurth S.A., said: "Green Steel means an enormous transformation for our customers. SMS and Paul Wurth have been setting technological standards in the steel industry for 150 years and have already worked together very successfully in recent years. By combining our competences, we are ensuring that SMS and Paul Wurth will remain synonymous with innovative and sustainable solutions."

Edwin Eichler, Chairman of SMS group GmbH, said: "In the coming decades, decarbonizing technologies will replace the traditional blast furnaces and coking

plants in integrated steel plants. Therefore, the energy balance at the steel plant will have to be reconsidered and reorganized. Our customers will require fully integrated solutions to bring about this change. Alongside the decarbonization roadmap, efforts will continue in developing digital solutions to establish self-learning processes. This disruption in the global steelmaking market means the time is right for Paul Wurth and SMS Metallurgy to form a single solution provider.”

SMS group is a group of companies internationally active in plant construction and mechanical engineering for the steel and nonferrous metals industry. It has some 14,000 employees who generate worldwide sales of more than EUR 2.9 billion. The sole owner of the holding company SMS GmbH is the Familie Weiss Foundation.