

Umicore to acquire cobalt refinery and cathode precursor operations in Finland

Through this acquisition Umicore expands its integrated battery materials footprint

Umicore announced today that it has reached an agreement to acquire Freeport Cobalt's cobalt refining and cathode precursor activities in Kokkola, Finland, for a total consideration of \$ 150 million on a debt and cash free basis, plus the value of the working capital to be taken over at closing, which at the end of March was approximately \$ 40 million. The transaction which is subject to customary closing conditions, including regulatory approvals, is expected to be finalized by the end of 2019 and will be funded from Umicore's existing credit facilities. It is anticipated that the acquisition will be earnings accretive from 2020 and value accretive from 2021, after completion of the integration process and a significant reduction of the net working capital resulting from supply chain synergies.

Umicore is not acquiring the cobalt fine powders, chemicals, catalysts, ceramics & pigments activities located on the same site. These activities will continue to be run by Freeport Cobalt.

The acquisition of the Kokkola refinery and cathode precursor production marks an important step in expanding Umicore's battery materials value chain. With R&D, refining, precursor production, cathode materials production and battery recycling operations located in Europe, Umicore will be ideally placed to serve the European operations of its battery cell and automotive customers with a fully integrated, sustainable and local battery materials supply chain. Through this European battery materials supply chain, Umicore will contribute significantly to the European Union's plans to create a competitive and sustainable battery ecosystem in Europe.

The state-of-the-art Kokkola refinery is Europe's largest cobalt refinery. Its refining and precursor know-how ideally complements Umicore's and the expertise and experience of its 250 employees are highly regarded in the battery materials industry. The acquired operations will supply precursors for the cathode materials production in Nysa, Poland, which is due to start in the second part of 2020.

The Kokkola refinery will be supplied through Umicore's long-term agreements which source cobalt raw materials exclusively from best in class industrial scale cobalt mining operations, which operate in full conformity with Umicore's sustainable procurement framework for cobalt. These agreements fit with Umicore's strategy to differentiate its offer by certifying to customers that its products do not contain any artisanally mined cobalt units and are free of any child labor.

Marc Grynberg, CEO of Umicore commented: "This acquisition underlines our commitment to support the rapid growth of our battery materials customers in Europe and supply them with locally produced materials of the highest quality with a certified and clean origin. I am proud of Umicore's contribution to the accelerating transition to cleaner mobility in Europe and the rest of the world."

About Umicore

Umicore is a global materials technology and recycling group. It focuses on application areas where its expertise in materials science, chemistry and metallurgy makes a real difference. Its activities are organised in three business groups: Catalysis, Energy & Surface Technologies and Recycling. Each business group is divided into market-focused business units offering materials and solutions that are at the cutting edge of new technological developments and essential to everyday life.

Umicore generates the majority of its revenues and dedicates most of its R&D efforts to clean mobility materials and recycling. Umicore's overriding goal of sustainable value creation is based on an ambition to develop, produce and recycle materials in a way that fulfils its mission: materials for a better life.

Umicore's industrial and commercial operations as well as R&D activities are located across the world to best serve its global customer base. The Group generated revenues (excluding metal) of € 3.3 billion (turnover of € 13.7 billion) in 2018 and currently employs 10,400 people.

For more information

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Forward looking statements

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