

Large-scale European battery materials production

26 September 2022

Investing in value creative growth, in line with our 2030 RISE strategy.



Through the JV,
Umicore gains
secured access to
an important part of
the European
demand for EV
cathode materials

Firm take or
pay offtake
commitments
for the invested
capacity

Shared costs
and investments

**The JV will generate
guaranteed value
creative returns in
line with the
Umicore 2030 return
ambitions**

A Umicore/PowerCo (VW) JV with 160 GWh European battery materials production



Unique cooperation in the European automotive industry:

Partners to establish first large-scale European supply chain for sustainable batteries; a major milestone to help the European Union achieve its Green Deal ambitions

Bringing a considerable first-mover advantage to both partners in fast-growing European EV market



Joint venture to produce 160 GWh annually by the end of the decade:

Providing Umicore secured access to an important part of the European demand for EV cathode materials

Securing supply for PowerCo's Gigafactory in Salzgitter and other PowerCo sites



Umicore CEO
Mathias Miedreich



This partnership further strengthens and diversifies our exposure to a major player in the EV value chain and marks an important step in the execution of our strategy to set-up value creative partnerships across the battery value chain.

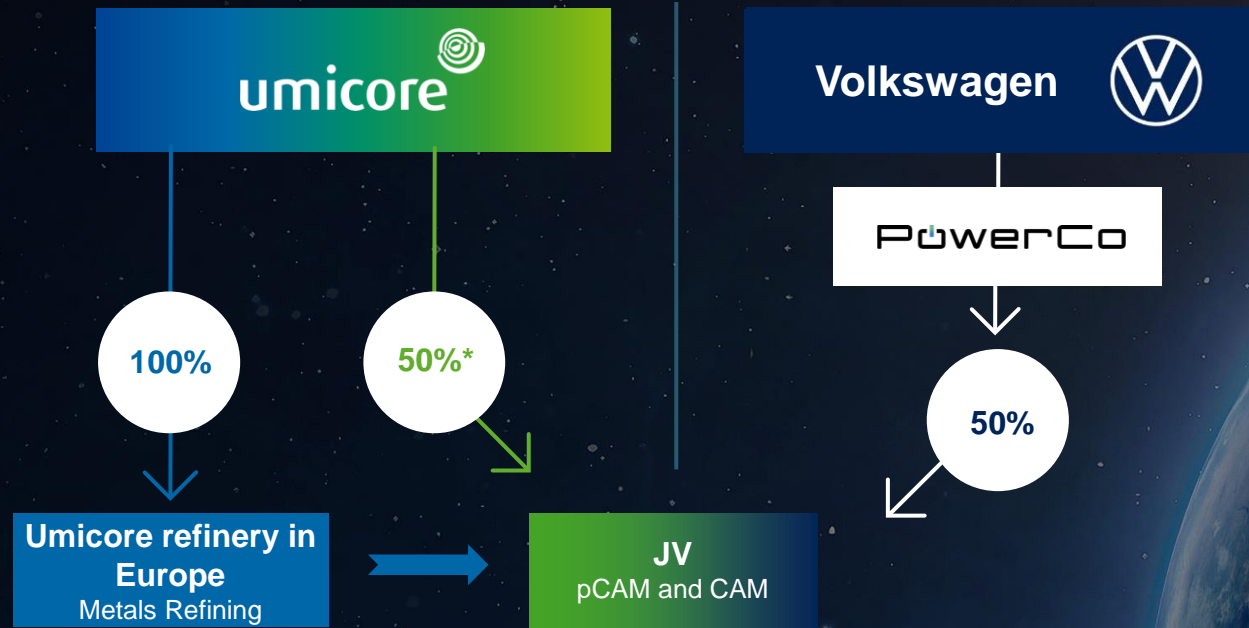


Volkswagen Group CTO
Thomas Schmall



Immediate access to extensive capacities is a very clear competitive advantage.

JV structure



First 60GWh equivalent of metals refining to be exclusively supplied by Umicore

Metals will be consigned by PowerCo to the JV

Umicore and PowerCo to collaborate on the sustainable and responsible sourcing of raw materials

Both parties are considering including at a later stage elements of refining and battery recycling in the JV

JV set-up

Governance and Management

- Governance rights and reserved matters for both partners
- Joint control
- Operational Management by Umicore
- Umicore's IP and know-how will be made available through a license agreement to the JV
- Umicore currently anticipates to account for the JV under equity accounting and will provide additional disclosure to reflect the economic interest of the JV to Umicore



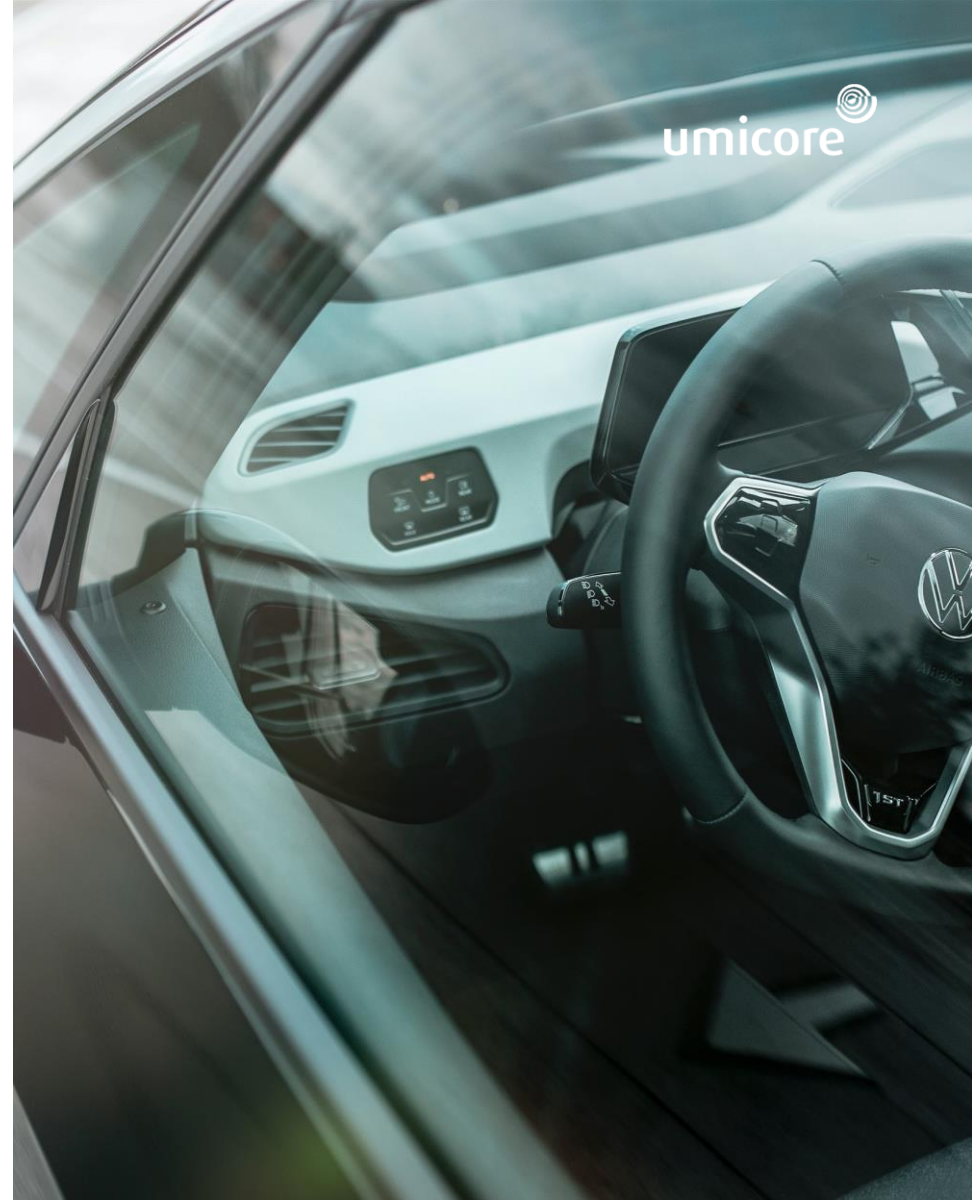
**JV designed to meet
both partners' profitability
and return criteria**



**Both partners share costs,
investments, revenues and
profits on a 50/50 basis**

Co-investing to power up to 2.2 million EVs annually by the end of the decade

- Both partners to co-invest € 2.5 billion by the end of 2026 and € 3 billion by 2030
- Co-investment on a 50/50 basis
- Biggest portion of the investment anticipated in 2024-26, with production to start in 2025
 - 40 GWh in 2026 to supply PowerCo's Salzgitter Gigafactory
 - Both partners will grow the JV's **annual production capacity to 160 GWh by the end of the decade**, based on market and demand development
- Investments will be funded by a mix of non-recourse debt incurred by the JV and equity from the shareholders, whereby Umicore and PowerCo strive to a 50% debt ratio



JV to generate guaranteed value creative returns in line with our 2030 RISE ambitions



**Backed by
solid
contractual
agreements**

Between JV and PowerCo:

- Agreed ramp-up scenario for capacities (only to be deviated by mutual agreement)
- Take-or-pay offtake commitments
- Guarantee for minimum value-creative returns in the JV

Between Umicore and PowerCo

- First 60 GWh equivalent of metals refining to be exclusively supplied by Umicore
- Similar safeguarding principles as in the JV agreement

Between Umicore and JV:

- License agreement to protect and valorize Umicore's IP and know-how
- Strong set of Service Level Agreements in place

Q & A



materials for a better life