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## PRESS RELEASE

# Eramet: Major progress in SLN's rescue plan, but critical situation in early 2021 in a highly disrupted societal context

In the second half of 2020, the performances delivered by Société Le Nickel ("SLN"), particularly the improvement in production costs, demonstrate that the company rescue plan, which aims to ensure the sustainable recovery of the Group's New Caledonian subsidiary, is delivering full impact under normal operating conditions.

As a reminder, SLN's rescue plan is based on three levers: implementing a new business model based on plant ferronickel production and low-grade ore exports, improving productivity and reducing energy prices. As such, an application to authorise the export of 2 Mt of additional nickel ore per year was filed with the New Caledonian government and is still pending a vote. As regards energy, the significant reduction in electricity costs should be made possible thanks to a new power plant for which a call for tender has been duly initiated with bids expected in February.

However, at the start of this year, SLN's situation has become highly critical since all its mining centres have been affected by intermittent blockades for several weeks. Indeed, the company is a collateral victim to a local conflict, related to Vale Nouvelle-Calédonie, in which it has no involvement.

SLN has been forced to adjust its day-to-day mining and metallurgy operations based on disruptions in mines, which also impact the loading of ore ships. The severely worsened operations pose a risk to the plant's furnaces and put a financial burden on the company. The major progress made in the rescue plan could be destroyed.

Against this background, SLN, which is currently undergoing an ad hoc mandate procedure, will file in the coming a request for the opening of a conciliation proceeding before the president of the Nouméa Mixed Commercial Court. Should the company's situation worsen over the coming weeks, the filing of a safeguard, administration process or liquidation may need to be considered.

All involved stakeholders must urgently show their commitment in order to ensure a return to normal operations and the continued smooth implementation of the rescue plan.

Eramet will keep the market informed of developments in the situation.



## Calendar

16/02/2021: Publication of 2020 annual results

26/04/2021: Publication of 2021 first-quarter turnover

## ABOUT ERAMET

Eramet, a global mining and metallurgical group, is a key player in the extraction and valorisation of metals (manganese, nickel, mineral sands) and the elaboration and processing of alloys with a high added value (high-speed steels, high-performance steels, superalloys, aluminium and titanium alloys).

The Group supports the energy transition by developing activities with high growth potential, including lithium extraction and refining, and recycling.

Eramet positions itself as the privileged partner of its customers in sectors that include carbon and stainless steel, aerospace, pigments, energy, and new battery generations.

Building on its operating excellence, the quality of its investments and the expertise of its employees, the Group leverages an industrial, managerial and societal model that is virtuous and value-accretive. As a contributive corporate citizen, Eramet strives for a sustainable and responsible industry.

Eramet employs almost 13,000 people in more than 20 countries, with turnover of approximately €4 billion in 2019.

For further information, visit [www.eramet.com](http://www.eramet.com)

## INVESTOR CONTACT

**Executive VP Strategy and Innovation - Investor Relations**

**Philippe Gundermann**  
T. +33 1 45 38 42 78

**Investor Relations Manager**

**Sandrine Nourry-Dabi**  
T. +33 1 45 38 37 02

## PRESS CONTACT

**Communications Director**

**Pauline Briand**  
T. +33 1 45 38 31 76  
[pauline.briand@eramet.com](mailto:pauline.briand@eramet.com)

**Image 7**

**Marie Artzner**  
T. +33 1 53 70 74 31 | M. +33 6 75 74 31 73  
[martzner@image7.fr](mailto:martzner@image7.fr)