

Press Release

Ramboll report: Blastr Green Steel's steel plant would generate nearly 300 million euros in tax income for Finland annually

- **Property tax revenue of around EUR 6-9 million per year for Inkoo**

Helsinki, Finland, March 19, 2024. According to a regional economic impact assessment conducted by planning and consultancy company Ramboll Finland Oy (Ramboll), Blastr Green Steel's (Blastr) planned steel plant producing green steel in Inkoo, Finland, will have a significant economic impact on Finland at national, regional, and local levels.

During production, the steel plant will substantially increase the vitality, production volume, and new economic activity of Inkoo and the entire Western Uusimaa. The employment effects will peak during the construction phase, but it is further estimated that nearly 5,600 full-time equivalents (FTEs) of permanent jobs will be generated as a multiplier effect.

Annual labour demand in Western Uusimaa with multiplier effects around 1 390 full-time equivalents

The construction phase of the steel plant will increase the need for labour in Western Uusimaa by over 9,000 FTEs. In total, the labour demand in Finland is estimated to increase by about 16,200 FTEs. Simultaneously, the construction phase would generate a new turnover of approximately EUR 3 billion in Finland, with approximately 57% of it originating from the Western Uusimaa region.

"When completed, the steel plant is estimated to employ a total of approximately 1,000 employees annually (FTEs). Additionally, including multiplier effects, the average annual demand for labour in Western Uusimaa region is projected to reach 1,390 FTEs. Furthermore, the demand for labour in the rest of Finland will amount to almost 4,200 FTEs per year," summarizes **consultant Samuel Rintamäki from Ramboll**, who has been involved in preparing the assessment on the economic impacts of the steel plant project.

"Local businesses in Inkoo and in the region have the opportunity to benefit from the construction of the plant and its operations. During the construction phase, there will be a heightened demand particularly in the construction industry, installation activities, the manufacturing of metal products, as well as accommodation and catering services. Once production commences, companies in Inkoo can offer their expertise to new operators in areas such as maintenance, property services, warehousing, and transport services," describes **Antti Kaikkonen, Managing Director of Blastr Green Steel Oy**.

"Finland's industrial evolution tracks back to its iron foundries, many of which were established in Western Uusimaa. We want to preserve the region's successful metalworking heritage and provide sustainable new industrial employment opportunities to the region's skilled workers. Moreover, we are committed to providing re-skilling for new workers in collaboration with the region's educational institutions," Kaikkonen concludes.

"Some of the project's impacts will introduce entirely new economic activities, while others involve a transition from other sectors and operators. Not all new demand can be satisfied solely by local or domestic products, services, and labour," says Rintamäki.

Notable tax revenues

The plant would bring notable annual tax revenues of nearly EUR 300 million to Finland, with a portion allocated directly to municipalities and another portion to the state. In addition to employees' payroll taxes, property tax revenues would constitute a significant income source for the municipality of Inkoo. It is projected that the green steel plant and the integrated hydrogen facility would contribute approximately EUR 6-9 million in property taxes annually. The estimation of property tax revenue is provided at a rough order of magnitude.

In comparison, the total tax revenue of Inkoo in 2022 was EUR 29.5 million. Property tax accounted for EUR 3.0 million euros of the total tax revenue.

"During the approximately 3-year construction phase alone, tax revenues are estimated to total around EUR 329 million in Western Uusimaa and EUR 254 million in the rest of Finland," says Rintamäki.

Large investment projects result in a positive economic cycle

Large investment projects implemented elsewhere in Finland have stimulated the economy and initiated a positive economic cycle, pulling along other operators as well. At the same time, municipalities benefit from increased tax revenues.

"Based on Ramboll's regional economic impact assessment, there are good reasons to expect the same for the Inkoo area and neighbouring municipalities," Kaikkonen says.

However, achieving positive impacts - especially regionally - requires investments from municipalities and other local actors. This entails, for example, developing the supply and expertise of companies operating in the area, intensifying cooperation with both business and educational entities, and smooth municipal zoning for residential construction and the development of transport connections and services.

"If Inkoo and its surrounding areas along with their operators can fully seize these opportunities, an even larger proportion of these positive economic impacts could be directed towards this region. On the other hand, if suitable services and products for the factory and its value chains do not emerge in the region, there is a risk that the regional impacts might be smaller than anticipated here," says Rintamäki.

The construction of the Blastr plant is estimated to take about 3 years with the aim of full production by 2030.

For further information, please contact:

Samuel Rintamäki, consultant, Ramboll Finland Oy
samuel.rintamaki@ramboll.fi
+358 44 257 2289

Antti Kaikkonen, Managing Director, Blastr Green Steel Oy
antti.kaikkonen@blastr.no
+358 50 453 6308

About Blastr Green Steel

Blastr aims to decarbonize the steel industry, by creating an integrated green steel value chain leveraging Nordic advantages. By utilizing local raw materials and fossil-free energy and applying a circular economy thinking throughout the value chain, the company aims to produce 2.5 million tonnes of cost-competitive, ultra-low CO₂ steel, with ~90% lower scope 1-3 emissions than conventional steel production. Blastr Green Steel will be one of the largest industry start-ups in the Nordic region. Blastr Green Steel is part of Vanir Green Industries. For more information, visit www.blastr.no

About Vanir Green Industries (VGI)

VGI is a Nordic business builder and investment company that builds and scales leading, sustainable, robust, and profitable companies that will help accelerate the energy transition. VGI was founded by Tore Ivar Slettemoen, who also founded NYSE-listed Freyr Battery. In addition to Blastr, the VGI portfolio consists of Removr developing solutions for capturing and storing CO₂; Freija developing technology for producing green methane, and Njordr developing onshore solar and wind projects. For more information, visit www.vaniras.no