

InvestEU Scoreboard¹

Presentation of the financing or investment operation:

Implementing Partner: EIB

Name of the Operation: NORTHVOLT ETT EXPANSION-LARGE SCALE BATTERY PLANT 2022-0461

Type of approval :

- ☒ Individual financing or investment operation
☐ Framework Operation

Name of the final recipient: NORTHVOLT Ett AB

Country of implementation: Sweden

Short description of the financing or investment operation:

This project concerns the financing of the expansion of the Northvolt Ett Gigafactory for the manufacturing of advanced lithium-ion cells in Skellefteå in northern Sweden

Public Statement

The Project is eligible under the Bank's policy objective "Innovation, digital and human capital - IDHC" as it concerns the implementation in Europe of an innovative advanced manufacturing technology for the production of cutting-edge li-ion battery cells.

The Project makes a substantial contribution to the development of the EU-based battery industry, for which it can be considered a key enabler. The project caters for the transition to e-mobility by supplying the growing demand in Europe for EV Batteries with cutting-edge battery cells, thereby supporting the competitiveness of the EU automotive industry.

Due to its enabling character for the transition to e-mobility the Project fully contributes to Climate Action (mitigation) objective and a small part of the project to environmental sustainability - circular economy. It meets the objectives of the Green Deal Industrial Plan proposed by the European Commission.

The operation qualifies for InvestEU eligibility under the following main policy priority areas: SIW - 1.1.6 Modernisation and decarbonisation of industry

- (a) decarbonisation investments in industries, in particular transport, aiming at significant reduction or avoidance of GHG emissions; and
- (c) investments in assets enabling the flow of low-carbon energy.

Europe must master the de-carbonisation of its transport sector. This passes through the transformation of its automotive industry from supplying vehicles running on carbon fuels to vehicles running on electricity. This, in turn, requires the build-up of a European battery industry. Europe lags in the industrialisation of battery technologies and the related know-how. The Project addresses these failures. In addition, the Project

¹ This Scoreboard of indicators reflects the information presented to the InvestEU Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

- (a) has the nature of a public good for that the operator or company cannot capture sufficient financial benefits (knowledge dissemination through technology transfer and education and skills of the local labour, and a lasting specialised infrastructure being made available at no or negligible cost);
- (b) generates externalities which the operator or company cannot internalise, such as climate mitigation.

The Project will generate economic benefits that are greater than those captured by the investor's financial returns. The Project's external benefits are potentially high as it contributes to the establishment of an industrial value chain in Europe of a competitive battery technology. The Project will lead to important knowledge transfer to Europe. It will deploy advanced manufacturing activities and related skilled jobs in Europe. The Project will furthermore help create the conditions for the deployment of e-mobility, and the development of a cleaner and more sustainable transport system in Europe and lead to lower emissions of pollutants (health benefits) and CO₂ (climate benefits) on the roads.

The proposed non-recourse structure is innovative for this type of Project, traditionally financed through corporate loans by commercial banks at sponsors' level. EIB's capability to appraise and structure the Project with unmatched terms and conditions on the commercial market would bring significant added value to the Promoter. EIB will not only close a large financing gap but also crowd-in other financiers. The increased risk profile of the loan beyond what the Bank traditionally regards as acceptable can be considered thanks to Invest EU protection.

The operation would not be carried out to the same extent by the EIB without the InvestEU support.

Pillar 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation (Very Good)

Pillar 4 - Financial and technical contribution by the Implementing Partner (Very Good)

Pillar 5 - Impact of the financing or investment operation (Very Good)

Pillar 7 - Complementary indicators²

Expected at PCR	
Start of works	01.08.2022
End of works	31.12.2027
Project investment cost	6,793.75 MEUR
Mandate eligible investment mobilized	5,419.19 MEUR
Mandate multiplier effect	67.87
Mandate leverage effect	5.85
Amount of private financing	5,888.20 MEUR
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	100% Mitigation – RDI (transversal)
Employment during construction - temporary jobs	5,135 person years
Employment during operation - new permanent jobs	2,691 FTE
Gender Tag	Significant contribution to Gender Equality

Outputs

Expected at PCR	
Annual production capacity (Industry)	42.00 GWh/yr
Digitalisation content – SECTOR based	27.72 MEUR

² The abbreviation PCR stands for Project Completion Report. EIB internal methodologies are used in order to calculate the figures presented in this document. The Promoter's estimates might differ.

Outcomes**Expected at PCR**

Annual production (Industry)	35.00 GWh/yr
Total sales of the promoter	5,300 MEUR
Percentage of promoter's sales supported by the project	66.00%
Total potential sales resulting from the project	3,500.00 MEUR
Digital transformation impact	2 - Good