

Sweden: European backing for Northvolt's battery gigafactory

- In principle approval of the European Investment Bank to support Northvolt's gigafactory for lithium-ion battery cells in Skellefteå, Sweden.
- Pending finalisation of due diligence and negotiations, the EIB's financing commitment is foreseen to be EUR 350 million.

The European Investment Bank has given its in-principle agreement to support the financing of Europe's first home-grown gigafactory for lithium-ion battery cells, *Northvolt Ett*, in Sweden. Upon conclusion of a loan agreement, the financing would be supported by the [European Fund for Strategic Investments \(EFSI\)](#), the main pillar of the [Investment Plan for Europe](#).

The gigafactory will be established in Skellefteå in northern Sweden – a region home to a prominent raw material and mining cluster which has a long history of process manufacturing and recycling. Noting the region's clean power base, building the factory in northern Sweden will enable Northvolt to utilise 100% renewable energy within its production processes.

EIB Vice-President **Andrew McDowell** noted: *"The development of a competitive and green battery value chain within Europe can not only cut greenhouse gas emissions by decarbonising power generation and transport, but can also help protect millions of well paid jobs in European industries in the face of increasing global competition. The EUR 350m loan to Northvolt approved in-principle today by our Board of Directors is the largest ever direct EIB financing approval for battery technology, and we look forward to working with Northvolt over the coming months to finalise contracts."*

Maroš Šefčovič, European Commission Vice-President for the Energy Union, said *"The EIB and the Commission are strategic partners under the EU Battery Alliance. I welcome the significant support proposed by the EIB to Northvolt gigafactory as a stepping-stone towards building a competitive, sustainable and innovative value chain, with battery cells manufactured at scale, here, in Europe. Our two institutions are working closely with the industry and key Member States to put the EU on a firm path towards global leadership in this rapidly expanding sector"*.

Northvolt Ett will serve as Northvolt's primary production site, hosting active material preparation, cell assembly, recycling and auxiliaries. The construction of the first quarter of the factory will be completed in 2020. Ramping up to full capacity, *Northvolt Ett* will produce 32 GWh of battery capacity per year.

"This EIB in principle approval is a key moment in the process of finalizing our capital raise to support the establishment of Northvolt Ett. Today, we are one step closer to our goal of building the greenest batteries in the world and enabling the European transition to a decarbonized future." said

Peter Carlsson, Co-founder and CEO of Northvolt.

The capital raise, in which this EIB loan would be included, will finance the establishment of the first 16 GWh of battery capacity production. The batteries from *Northvolt Ett* are targeted for use in automotive, grid storage, and industrial and portable applications.

"Today's decision by the EIB is very gratifying and a big step towards a large-scale battery production in the EU and a fossil free welfare society. The decision shows that there are prerequisites in Sweden for sustainable battery production, it is important for Sweden and the rest of the EU to produce battery materials and battery cells, based on green, Swedish electricity", said **Ibrahim Baylan**, Swedish Minister for Business, Industry and Innovation