InvestEU Scoreboard[1]

Presentation of the financing or investment operation:

Implementing Partner: EIB

Name of the Operation: VERKOR EV BATTERY GIGAFACTORY

Type of approval :

☒ Individual financing or investment operation

☐ Framework Operation[2]

Name of the final recipient: GIGA VERKOR IMMO SAS

Country(-ies) of implementation: France

Short description of the financing or investment operation:

The operation comprises the construction and operation of a 16 GWh production facility for advanced lithium-ion batteries for Electric Vehicles ("EV") application (the "Project"). The Project will be located in the Port of Dunkirk, in northern France (Hauts-de-France region) and is the first phase of what could become one of Europe's major battery factories with a total capacity of 50+ GWh by 2030. With 4 production lines, the Project is expected to produce battery cells to equip up to 300,000 vehicles annually. The implementation of the Project is expected to lead to the create 1200+ direct and 3000 indirect jobs in a Transition Region of the EU.

The Promoter plans to finance the Project through limited recourse project financing through a SPV, purpose of which is to facilitate the entry of different types of investors with separate requirements into the Project.

Public Statement

The Project is eligible under the Bank's policy objective "Research, innovation and digital" of the Public Policy Goal "Innovation, Digital and Human Capital" as it concerns the implementation of an innovative advanced manufacturing technology in Europe for the production of cutting-edge Li-ion battery cells.

The Project contributes to the development of the EU-based battery industry, for which it can be considered an 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.

[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.

[2] The EIB Programme Loans are a delegation mechanism of the approval authority from the Board of Directors to the Management Committee for a series of sub-loans to multiple borrowers that are grouped together under one sector, policy objective or geographical region. Under InvestEU, such Programme Loans are approved by the Investment Committee as Framework Operations.

Due to its enabling character for the transition to e-mobility the Project fully contributes to Climate Action (mitigation) objective. It meets the objectives of the Green Deal Industrial Plan proposed by the European Commission.

The Project is located in a Cohesion Region and a Just Transition Mechanism territory, where it will create significant long-term skilled employment. The knowledge spill overs in the region and Europe at large are related to the development cooperation with the automotive OEM, the equipment suppliers, the EPC constructor for the development and construction of the specialised building (clean room, utilities), and with regional technical schools for the up/re-skilling of the labour force. It therefore contributes in full to Economic and Social Cohesion objective.

The eligible area of the operation as per Annex II of the InvestEU Regulation and the Investment Guidelines is Environment and resources, in particular with respect to the decarbonisation of energy-intensive industries and the substantial reduction of emissions in such industries, including the demonstration of innovative low-emission technologies and their deployment.

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.
The Project:

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 – both in a Cohesion Region; support to EU-based automotive industry in its transition to e-mobility);
b) generates externalities which the operator or company fails to internalise, such as climate mitigation.

The financing also addresses the market failure of insufficient investment in a transition region, thus supporting the strengthening of the EU's economic, social and territorial cohesion.

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 development and transfer to Europe. It will deploy advanced manufacturing activities and related 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 InvestEU protection.

Considering the above, the Project will generate economic benefits that are greater than those captured by the investor's financial returns.

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 (**Excellent**)

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

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

Pillar 7 - Complementary indicators[3]

Key project characteristics

	Expected at PCR
Start of works	01.04.2023
End of works	31.01.2027
Project investment cost	[…]
Mandate eligible investment mobilized	[…]
Mandate multiplier effect	[…]
Mandate leverage effect	[…]
Amount of private financing	[…]
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	100.00% Mitigation - Other (transversal)
Transition regions	100.00 %
Employment during construction - temporary jobs	2,000 person years
Employment during operation - new permanent jobs	[…]
Gender Tag	No Significant contribution to Gender Equality

Outputs

	Expected at PCR
Annual production capacity (Industry)	16.00 GWh/yr
Digitalisation– PROJECT based share of project investment cost	2.00 %
Repower EU - share of project investment cost	100.00 %
Digitalisation content – PROJECT based	31.20 MEUR

Outcomes

	Expected at PCR
Annual production (Industry)	16.00 GWh/yr

[3] 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.

Total employment of the promoter	[…]
Percentage of promoter's employment supported by the project	100.00 %
Employment supported by the project	[…]