InvestEU Scoreboard [(1)]

Presentation of the financing or investment operation

Implementing Partner: EIB

Name of the Operation: ZERO CARBON LITHIUM

Type of approval: Individual financing or investment operation

Name of the final recipient: ACCEPTABLE BANK(S), VER GEO LIO GMBH

Country(-ies) of implementation: Germany

Short description of the financing or investment operation:
The project intends to produce 24 kt/yr of battery-quality lithium hydroxide, by combining extraction from the underground brine with associated geothermal plants under a closed fluid cycle, a lithium extraction plant and a refining plant. In addition, the project will produce electricity to cover most of its own consumption and heat for district heating in nearby towns, thereby targeting low emissions. The project will be mostly located in the Upper Rhine Valley of Germany.

Public Statement

The project is line with the InvestEU objective for environment and resources. The project is eligible under Article 309 point (c) Common interest and qualifies under the Bank's Innovation, Digital and Human Capital public policy goal.

The Lithium processing plants are eligible for Climate Action as mitigation and other. The output of the production plant is battery grade LiOH, which is used to produce battery active material (BAM). The project therefore falls within the scope of the activity '3.4 Manufacture of batteries' in the Taxonomy Climate Delegated act and fulfils the substantial contribution criteria for climate change mitigation, since the 'Manufacture of respective components (battery active materials, battery cells, casings and electronic components)' is also covered.

The energy elements of the Project are in line with EU and EIB policy objectives on climate action (mitigation) and are also fully in line with national RE penetration targets for the electricity grid and for district heating. They will generate both environmental and health benefits, in particular by replacing fossil-fuels with the integration of low-carbon, more sustainable, baseload renewable sources.

The market for Lithium Hydroxide is expected to outweigh the European supply for many years to come. To ensure some autonomy for the EU market and its customers on a whole, local low emission sourcing is an EU priority.

Accordingly, the project addresses market failures due to (1) imperfect competition in the battery manufacturing supply chain, predominantly served by non-EU manufacturers, (2) the generation of knowledge benefits from RDI activities and the interaction with suppliers and customers in development of new solutions for the production of battery grade LiOH, (3) imperfect and asymmetric information, as the promoter is a start-up investing in innovative technology competing with established companies and technologies, (4) reducing carbon and air pollution externalities and (5) energy security of supply.

EIB facility is critical to close the financing gap especially in light of the profile of this transaction. EIB sizeable contribution to the project would accordingly provide both financial value and non-financial value. EIB participation in the financing will have a crowding in effect and would provide comfort to other financiers. The project could 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)**

(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.

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

Pillar 7 - Complementary indicators [(2)]

Key project indicators	Expected at PCR
Start of works	01.09.2023
End of works	30.06.2029
Project investment cost	2,022.48 MEUR
Mandate eligible investment mobilized	1,673.00 MEUR
Mandate multiplier effect	22.01
Mandate leverage effect	2.63
Amount of private financing	1,385.48 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	100.00% Mitigation - Other (transversal)
Employment during construction - temporary jobs	2,750 person years
Employment during operation - new permanent jobs	192 FTE
Gender Tag	No Significant contribution to Gender Equality
Employment during project operation - women	79 FTE

Outputs	Expected at PCR
Annual production capacity (Industry)	0.02 Mt/yr
Repower EU - share of project investment cost	100.00 %

Outcomes	Expected at PCR
Annual production (Industry)	0.02 Mt/yr
Electricity produced from conventional energy sources	0 GWh/yr
Electricity produced from renewable energy sources	270.00 GWh/yr

(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.