

Galp and Northvolt select Setúbal to build advanced lithium conversion unit

- **The selected site, in Sapec Bay Industrial Park, has good access to infrastructure, railway, port facilities and is ideally located for reagents and by-products**
- **The start of operations is forecasted to happen by year-end 2025 and the start of commercial operations in 2026**
- **Based on similar projects, it is expected that some €700 million will be invested into the project, which will create around 200 direct and 3.000 indirect jobs**

Galp and Northvolt have selected the port city of Setúbal as the location for their Aurora lithium conversion plant, which aims to become a steppingstone for the development of an integrated lithium-battery value-chain in Europe.

The plant, which will be one of Europe's largest and the most sustainable, is set to have an initial annual production capacity between 28,000 and 35,000 tons of battery-grade lithium hydroxide – a critical material required by the lithium-ion battery manufacturing industry, which is expected to grow significantly by 2030. The plant will use a proven conversion process, leveraging recent process improvements and technologies to increase its sustainability and efficiency. Additionally, the JV is seeking to enable the use of green energy to power the conversion process, thereby minimizing reliance on the conventional natural-gas powered approach.

"Setúbal deserves this investment. The Municipality of Setúbal has invested in the qualification of this territory. Everyone recognizes this reality, which is the result of a great desire to make more of Setúbal" highlights the Mayor of Setúbal, André Martins. "We are very proud that this was the chosen municipality which, as is recognized, has qualified industrial areas, good roads, rail and port accessibility and an equally attractive city, social and cultural environment".

"This is the type of project Portugal and Europe should develop for economic growth and to build a sustainable energy future" said Galp CEO Andy Brown. "Securing sustainably produced materials for the exponentially growing battery industry is a strategic priority for Europe. We thank the Setúbal municipality for welcoming us and we look forward to our partnership creating jobs and economic value".

"The establishment in Setúbal marks a key milestone for Europe on the road towards building up a full battery ecosystem on the continent, as well as demonstrating a sustainable approach to the lithium conversion process" said Paolo Cerruti, Co-Founder and COO of Northvolt.

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The plant is expected to represent an investment close to €700 million, and to create more than 200 qualified direct jobs and more than 3.000 indirect jobs in the region.

A final investment decision is yet to occur, but the JV is envisaging a start of operations by the end of 2025 and start of commercial operations in 2026.

Setúbal was picked from several possible locations because it fulfilled all the requirements set forth by Aurora, the 50%-50% joint venture between Galp and Northvolt that will be leading the project going forward. The site, located in the Sapec Bay Industrial Park, has good access to infrastructure, railway, and port facilities. The site is also ideally placed to source reagents, and is close to by-product users, namely cement and pulp & paper industries, but also close to Portugal's current car manufacturing centre.

The plant will be able to deliver lithium hydroxide sufficient for 50 GWh of battery production per year (sufficient for more than 700,000 electric vehicles). As part of the JV agreement, Northvolt will secure an offtake for up to 50% of the plant's capacity for use in its battery manufacturing.

The JV partners are unwavering on driving the highest standards of sustainability, notably in the extraction and concentration of spodumene, the processing of lithium hydroxide, as well as in all related processes.

About Northvolt

Northvolt is a European supplier of sustainable, high-quality battery cells and systems. Founded in 2016 to enable the European transition to a decarbonized future, the company has made swift progress on its mission to deliver the world's greenest lithium-ion battery with a minimal CO2 footprint and has grown to more than 2,300 people from over 100 different nationalities. Northvolt has to date secured more than \$27 billion worth of contracts from key customers, including BMW, Fluence, Scania, Volkswagen, Volvo Cars and Polestar, to support its plans, which include establishing recycling capabilities to enable 50 percent of all its raw material requirements to be sourced from recycled batteries by 2030.

About Galp

Galp is an energy company committed to the development of efficient and sustainable solutions in its operations and in the integrated offers to its customers that creates simple, flexible, and competitive solutions for the energy or mobility needs of large industries, as well as small and medium-sized businesses and individual consumers. Galp's offer includes various types of energy – from electricity produced from renewable sources to natural gas and liquid fuels. As a producer, the company extracts oil and natural gas from reservoirs located miles below sea level, while also being one of the largest Iberian producers of solar-based electricity. Leaders in its sector in the world's main sustainability indices, Galp contributes to the economic development of the 10 countries it operates and to the social progress of the communities. Galp has 6,360 employees. For more information, visit www.galp.com.

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