French battery startup Verkor secures over €2 billion in new funding

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Verkor's 16-GWh gigafactory in Dunkirk is expected to become operational by 2025

Source: Getty Images

Renault-backed French battery startup Verkor has secured more than €2 billion in fresh funding, following the signing of a minimum of €850 million Series-C funding, approval of European Investment Bank (EIB) for €600 million debt support and French subsidies for an amount of about €650 million, subject to final approval by the European Commission, Verkor announced September 14.

The newly secured funding will accelerate:

1. The construction of Verkor's first gigafactory in Dunkirk, France, and the manufacture of high-performance, low-carbon battery cells

2. Ongoing technological developments at the Verkor Innovation Centre (VIC) for new manufacturing technologies and new state-of-the-art product

3. Strategic investments across the battery value chain, thereby generating thousands of direct and indirect long-term jobs

Significance: According to Verkor, the Series-C funding comes soon after the board of the EIB approved a €600 million support package through project finance debt and intermediated funding lines.

Verkor is known to be building a gigafactory that will have an initial production capacity of 16 GWh per year. The said gigafactory will be located at the Port of Dunkirk and is expected to be operational by 2025. The project is estimated to create about 1,200 direct and 3,000 indirect jobs in the region.

The company further added that in the largest equity raise for a French startup ever, Macquarie Asset Management, via its Energy Transition Solutions Fund, has become the lead investor in Verkor's Series-C funding round. Macquarie Asset Management, which is one of the world's largest infrastructure managers and a leading energy transition investor, will invest via its specialist Green Investment team.

Meanwhile, Meridiam, an independent investment company, is also taking a significant stake in Verkor in the said funding round. Also joining in the round are Verkor's original key industrial and financial partners such as Renault Group, EQT Ventures, EIT InnoEnergy and Sibanye-Stillwater. The Société de projets industriels (SPI) investment fund, which is operated by Bpifrance (the French public investment bank) is also increasing its investment in the said funding round, as part of its Invest for the Future program.

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