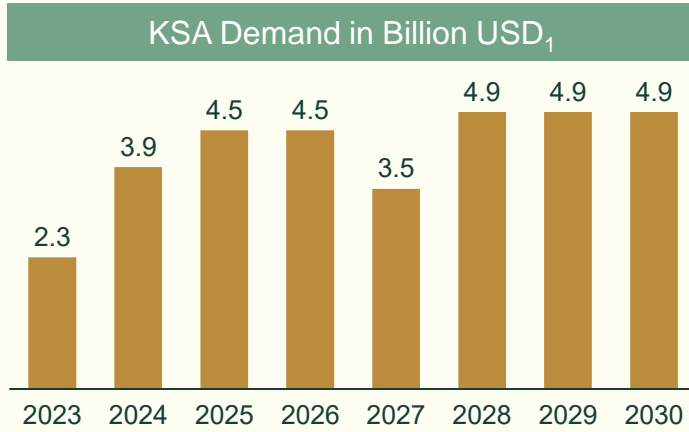


Li-ion Batteries

Opportunity Description: To set up a Li-ion Batteries manufacturing facility to serve the future local and regional demand

⚡ Li-ion Batteries – Opportunity Card (1/2)

Opportunity Description: To set up a Li-ion Batteries manufacturing facility to serve the future local and regional demand



* There is currently no local production capacity

Investment Highlights

- Expected Investment: **~\$1.2 Bn**
- Plant capacity: **3 GWh / year**
- Expected Equity IRR: **~3.5%**
- Expected Project IRR: **~4.4%**
- Payback period: **24 years**
- Expected GDP Impact till 2030: **\$771 Mn**

Major Assumption

Battery Price	~\$151/ KWh
Debt	70%
Interest Rate	7%

Raw Materials and Components

- Lithium
- Cobalt
- Manganese
- Nickel
- Graphite

Energy Sector Demand Drivers₁

- Demand of Li-ion Batteries is driven mainly by the upcoming renewable energy giga projects like:
 - Shuaibah 2
 - Sudair
 - Ar Rass 2
 - Al kahfah
 - Al Henakiyah

Other Sectors Demand Drivers

- The increasing adoption of Electrical vehicles in KSA and the GCC region is driving the demand for Li-ion Batteries
- The demand for lithium-ion batteries in the consumer electronics sector in Saudi Arabia is driven by Increasing sales of portable electronic devices

Value Proposition

- The government in Saudi Arabia has implemented several policies and initiatives supporting the manufacturing sector, including tax incentives, grants, and financing programs
- Saudi Arabia has launched four new special economic zones to attract foreign investors offering benefits such as competitive corporate tax rates, exemption from customs duties on imports, and production incentives

⚡ Li-ion Batteries – Opportunity Card (2/2)

Import Dependency

- Saudi imports 100% of their Li-Ion Batteries' demand
- In 2021, Saudi Arabia imported **\$9.2M in Lithium Batteries**₁
- Saudi Arabia imports Lithium Batteries primarily from: **United Arab Emirates (\$3.6M), United States (\$2.7M), and China (\$1.5M)**₁

Localization Potential

Baseline	Target	Contribution*
0%	75%	10.6%

Scalability Opportunities

- Manufacturing complete battery packs and modules for various applications, such as electric vehicles, energy storage systems, portable electronics, and power tools to offer integrated solutions to customers of different industries.

Enablers and Incentives

No enablers are taken into consideration in the financial estimation for this opportunity, but the opportunity is subject to off the shelf's incentives like:

- **SIDF financing up to 75% of CAPEX**
- **HRDF covers monthly salaries of up to 3,000 SAR / employee for Saudi employees**
- **Tax credits for R&D for manufacturers**
- **Custom duty exemption for import of capital goods/machinery required for setup of facility**

Major Local and International Manufacturers

- Local Manufacturers: N/A
- International Manufacturers: LG Chem, CATL, Tesla, Panasonic, SK Innovation and Samsung SDI

Key Stakeholders



Value Chain

