

12 March 2025

Northvolt files for bankruptcy in Sweden

Stockholm, Sweden, 12 March 2025 – Following an exhaustive effort to explore all available means to secure a viable financial and operational future for the company, the Board of Directors of Northvolt AB today announced that it has filed for bankruptcy in Sweden.

Like many companies in the battery sector, Northvolt has experienced a series of compounding challenges in recent months that eroded its financial position, including rising capital costs, geopolitical instability, subsequent supply chain disruptions, and shifts in market demand. Further to this backdrop, the company has faced significant internal challenges in its ramp-up of production, both in ways that were expected by engagement in what is a highly complex industry, and others which were unforeseen.

Despite pursuing all available options to negotiate and implement a financial restructuring, including a Chapter 11 restructuring process in the United States, and despite liquidity support from our lenders and key counterparties, the company was unable to secure the necessary financial conditions to continue in its current form. The Board therefore determined that this is the only available solution while the company pursues all realistic options to obtain financing to continue operating during the Swedish bankruptcy process.

It should be underscored that in engaging in this process, the company found significant traction with potential partners and interest from investors — something which illustrates the strong underlying value and future potential of Northvolt and is testament to its accomplishments. Ultimately, however, with limited time and financial resources available, the company was unable to conclude the necessary agreements to secure its future.

Following the filing, a Swedish court-appointed trustee will now oversee the process, including the sale of the business and its assets and settlement of outstanding obligations. The process will be conducted in accordance with Swedish insolvency law, with a focus on ensuring an orderly transition for employees, partners, and creditors. Northvolt has nominated Mikael Kubu as Trustee.

The entities Northvolt AB, Northvolt Ett AB, Northvolt Labs AB, Northvolt Revolt AB and Northvolt Systems AB filed with the Swedish court. Northvolt Germany and Northvolt North America are not filing for bankruptcy in their respective jurisdictions. As wholly owned subsidiaries of Northvolt AB, any decisions regarding these entities will be made by the court-appointed trustee of Northvolt AB in consultation with the Group's lenders at the appropriate time.

Northvolt recognizes the significant impact of this outcome on its employees, suppliers, customers, and other stakeholders. The company is working closely with relevant authorities, trade unions, and partners to ensure that employees receive the support and information they need during this transition.

Tom Johnstone, Interim Chairman of Northvolt's Board of Directors, commented: "This is an incredibly difficult day for everyone at Northvolt. We set out to build something groundbreaking — to drive real change in the battery, EV and wider European industry and accelerate the transition to a green and sustainable future. The outcome is especially hard considering not only the level of engagement and interest we held with potential partners and investors in recent months, but also the clear improvement and upwards trajectory that we have been seeing in Northvolt's production in Skellefteå, where cell output from serial production lines has doubled and we have secured a 50% improvement in production yield since September."

"Through the recent months, Northvolt has refocused its operations and reached several achievements. We ramped up production to meet customers' needs, reduced operational cash outflow by 55%, made tough decisions to pause or delay expansion plans, completed divestitures and ultimately delivered our first one million battery cells

to a European customer. These battery cells are produced with 100% fossil-free energy and represent the most sustainable products of their type in the world. They are based on technology developed in Sweden and invented at Northvolt Labs, the most sophisticated battery R&D facility outside of Asia.”

“Northvolt has come a long way, and we are beginning to see the real outcomes of our work, including production line improvements that helped customers bring more electric vehicles to the market more quickly. For me personally, it remains key for Europe to have a homegrown battery industry, but it is a marathon to build such an industry. It needs patience and long-term commitment from all stakeholders.”

“We are hopeful that the outreach we have undertaken with potential investors during the Chapter 11 process will accelerate identifying the necessary financing to allow continued trading under the Swedish bankruptcy process. The passion, dedication, and innovation of our team has been nothing short of extraordinary, and we deeply regret that there is not a different path forward. I want to extend my strongest gratitude to our employees, customers, suppliers, investors, and partners who believed in Northvolt’s mission. I also want to extend the same gratitude for all the support we received from the communities in Skellefteå and Västerås.”

Tom Johnstone concluded: “We are hopeful that the foundation we built — the technology, the expertise, and the commitment to sustainability — will continue to drive change in the industry.”

As the bankruptcy process unfolds, the court-appointed trustee will determine the future of Northvolt’s businesses and their assets, including technology and production facilities. Further updates will be provided by the trustee as the process progresses. For any inquiries regarding the process, stakeholders are encouraged to contact the trustee’s office once appointed.