Nexeon: Factsheet

Deal information

Deal announced	1st September 2026
Sector	Battery manufacturing and electric vehicle supply chain
Location	Oxfordshire[i]
Counterparty	Nexeon UK Limited ("Nexeon")
NWF Finance	£52.6m
Product	Equity

Summary

The National Wealth Fund (NWF) will invest £52.6m of equity into Nexeon, to support its development of a UK-based pilot manufacturing facility and continued research and development (R&D) activity. Nexeon is a UK-based technology company developing next generation silicon-carbon active anode materials for lithium-ion batteries, which can improve electric vehicle (EV) range and charging performance.

This investment supports HM Government's Advanced Manufacturing Sector Plan by scaling-up of advanced battery materials manufacturing in the UK and strengthening domestic capability in a strategically important part of the EV supply chain. The transaction forms part of the NWF's £5.8 billion commitment to priority sectors included in its manifesto.

Sector context

EV manufacturing and associated battery supply chains are expected to play an increasing role in the UK economy as the transition away from internal combustion engine vehicles accelerates. Demand for batteries is driven by EV production, with battery materials forming a critical upstream component of the supply chain.

Battery performance, including energy density, charging speed and range, is influenced by the performance of the anode material used within lithium-ion cells. Today, global anode supply is sourced from overseas, with both graphite and emerging silicon-based materials concentrated

among a small number of international suppliers. When adopted alongside or as a replacement for graphite, silicon carbon anodes can enable higher energy density and faster charging, while remaining compatible with existing battery manufacturing processes.

Impact and additionality

The investment supports NWF's strategic ambitions by enabling UK-based development of advanced battery materials that contribute to the decarbonisation potential of EVs, support place-based growth, and anchor early manufacturing capability domestically.

Our investment is expected to support the progression of UK battery materials activity from R&D and pilot-scale operations towards early commercial manufacturing. Jobs based at the new manufacturing site will be predominantly high-skill roles across R&D, engineering and manufacturing, supporting local skills development in areas with historic industrial activity, structural economic challenges and below-average productivity, subject to final site selection. Our funding also secures intellectual property in Nexeon's Oxfordshire site and supports HM Government's ambition to double the economic output of the Oxford-Cambridge Arc.

Additionality arises from NWF's role in enabling UK manufacturing activity at a stage characterised by long development timelines, extended customer qualification processes and high upfront capital requirements, which limit the availability of suitable private finance for early manufacturing scale-up.

NWF participation is a determining factor in the proposed development of a UK pilot plant. Without this investment, capital deployment would be more likely to be directed towards existing overseas facilities or deferred until later stages of commercial validation, reducing the likelihood that manufacturing capability and future scale-up are located in the UK. A geographically diversified manufacturing footprint and a presence in the UK is attractive to Nexeon's customers in light of recent supply chain disruptions.

ESRG considerations

Environmental, social, resilience and governance (ESRG) considerations have been assessed as part of the transaction, including the environmental impacts associated with battery materials production and proposed manufacturing activities.

Lifecycle analysis undertaken as part of the project indicates that silicon-based anode materials can have a lower carbon intensity, lower particulate matter emissions, and requires less water and fossil fuel resource at production stage compared with conventional graphite anodes. The resulting batteries have higher energy density, longer range and charging speeds, reducing the number of charging cycles throughout its lifetime. Further ESRG monitoring, including

assessment of site-specific ESRG impacts, will be undertaken as operational details are confirmed and the project progresses.

Impact metrics

Impact	Metric
3	# Deals in the Battery Manufacturing & EV Supply Chain sector
£525m	Total investment in sector
~250	Direct Jobs Created and Supported[ii]
~40%	Wage premium compared with median wages for the local area[iii]
~£22m	Private Finance Mobilised[iv]

[i] Nexeon's existing R&D facility is located in Oxfordshire. The site location for the proposed manufacturing facility is yet to be confirmed.

[ii] Scaled from Nexeon's business plan. This figure is indicative and based on a proportional adjustment. Based on a complete construction of the UK manufacturing plant.

[iii] Calculated comparing the wage difference of the jobs created and supported by our investments to their respective local wage levels, weighted according to the hiring plans across Nexeon's Oxfordshire site and the location of its proposed manufacturing plant.

[iv] Calculated based on private financing towards Nexeon's UK business operations and development.