

INNOVATIVE FINANCING FOR THE BIOECONOMY

BIOEAST: Mobilizing financial investment into
Bioeconomy-related innovation in CEE

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Paulina Brzezicka

Innovation Finance Advisory, European Investment Bank

European Investment Bank: Who are we?

General facts



- World's largest multilateral lender and the biggest provider of climate finance
- 90% of lending is within the EU
- Governed by EU Member States

€ **76.8** billion

Financing in 2020

Our investment priorities



INNOVATION
€ **14.4 billion**



ENVIRONMENT
€ **16.8 billion**



INFRASTRUCTURE
€ **15.0 billion**



SMEs
€ **30.6 billion**

EU Climate Bank objectives

- €1 trillion of investments in climate action and environmental sustainability in the critical decade from 2021 to 2030
- Increase the share of financing dedicated to climate action and environmental sustainability to reach 50% by 2025
- Align all financing activities with the principles and goals of the Paris agreement by the end of 2020

SECTOR DEFINITION (1/2)

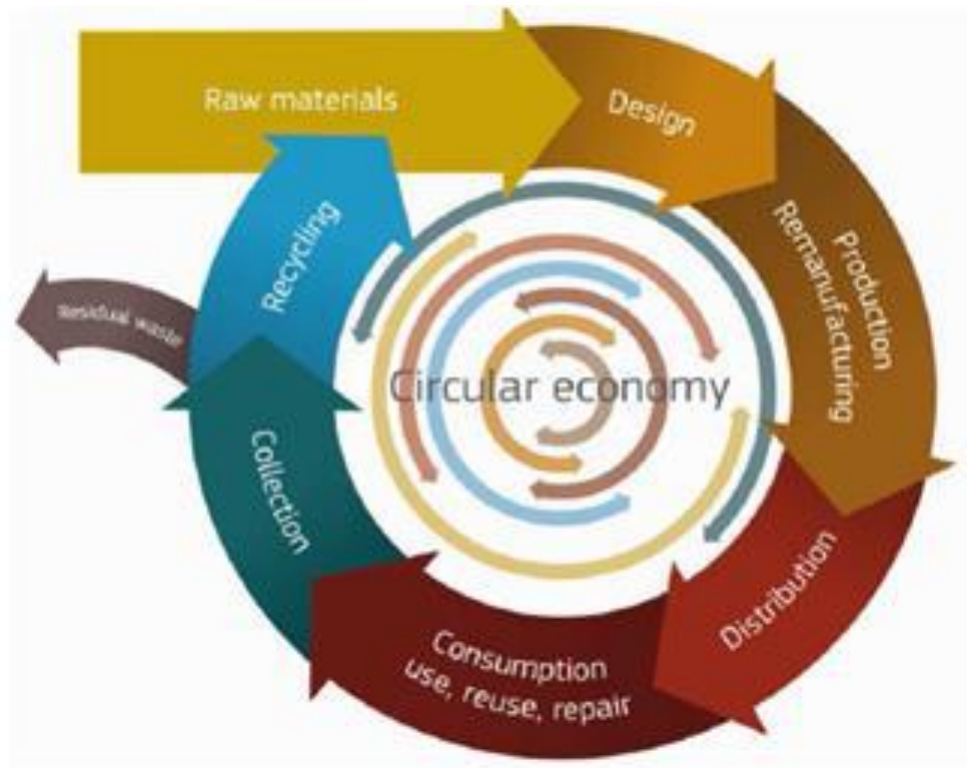
The Bioeconomy is...

Unlocking biomass potential in a sustainable and resource-efficient manner



SECTOR DEFINITION (2/2)

The Circular (Bio)-Economy



- ✓ Using discards, residues, by-products, waste or waste-water for
- ✓ Designing renewable bio-based products to replace fossil based.
- ✓ Increasing circular resource efficiency in bioeconomy value chains
- ✓ Reducing/valorizing [food] waste production
- ✓ Implementing innovative business or value-chain models

Innovation Finance Advisory: Engaging the Ecosystem to build a pipeline

EIB's Innovation Finance Advisory is active in a range of bioeconomy initiatives, from lead to loan

Business Development & Engagement with Ecosystem

Market Studies/Consultation

Life Sciences	Deep Tech
5G	AI & Blockchain
Plastics	Hydrogen & Green Deal
Space	Missions Report

Leads

Financial Advisory Work

- Screening and fit assessment for EIB Group funding
- Review of business plan and financial parameters
- Viability assessment: technology, market, demand, "credit story" (in collaboration with EIB Services)
- Due diligence preparation

Improve bankability for key EIB climate facilities such as:

InnovFin Energy Demo Projects
CEF Future Mobility Facility

Examples of project activity

Feeder & Advisory Programs

Handovers

Impact

Handover to EIB / EIF / External Investors

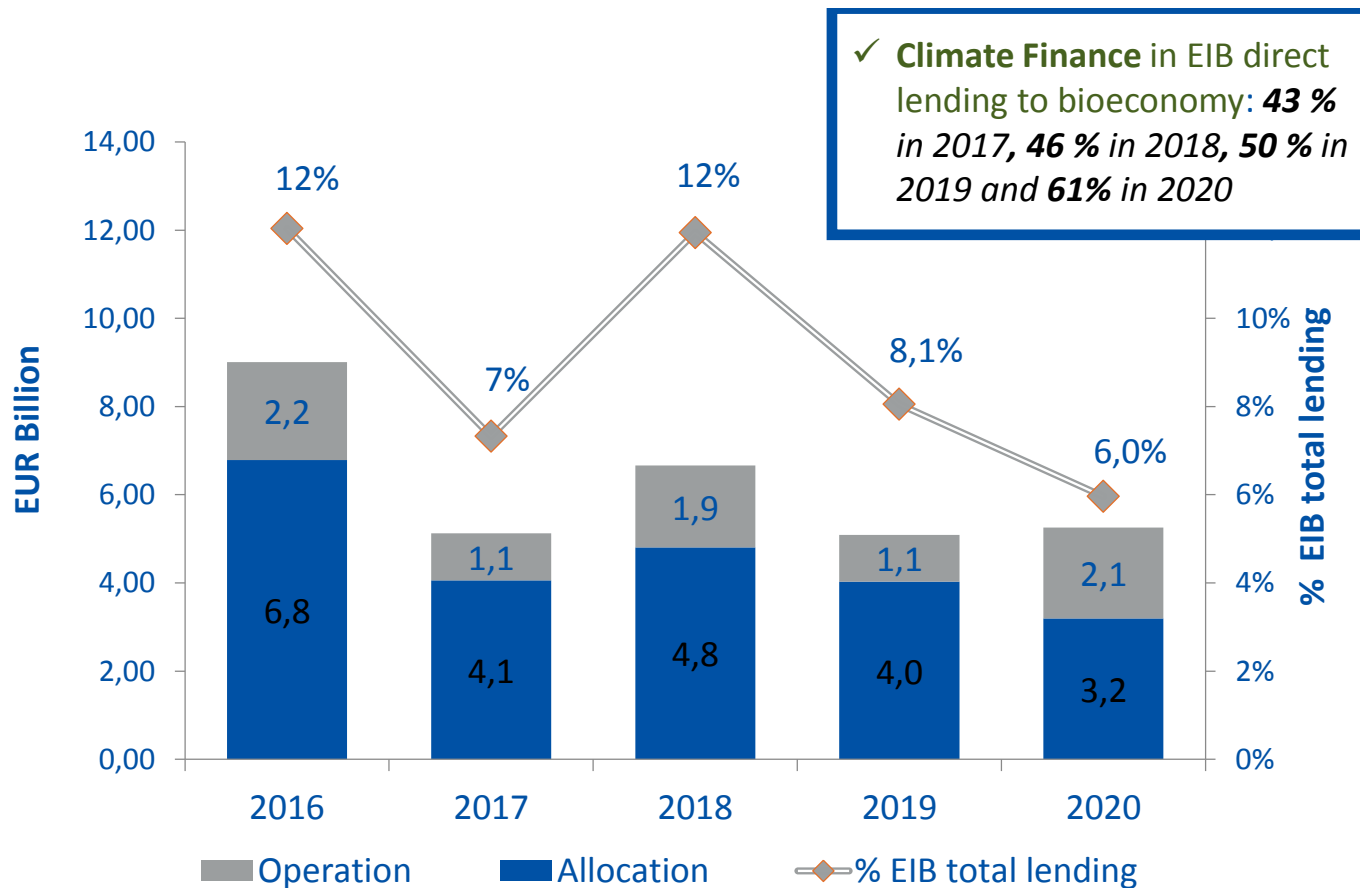
EUR 15m

EUR 40m

EUR 110m Series C

New Product Development

EIB lending to agri-bioeconomy 2016-2020



EIB Lending to the Circular Economy 2016-2020

Sector lending 2016-2020	Circular <i>Economy</i> (EURm)	Circular <i>Bioeconomy</i> (EURm)
Industry and services sector	992	118
Water management sector	371	371
Agriculture and bioeconomy sector	548	548
Waste management sector	480	311
Mobility	134	0
Urban development sector	133	20
Energy sector	82	0
Total	2 741	1 250

Funding Landscape Overview

Company	Cash flow	Funding options	Main risk focus	Pitch focus	EC/govern. support	EIB offer
R&D	Pre-revenue	Founder/family/friends, business angels, vent. cap. grants, guarantees	Promoter, technology comm. prosp.	Upside, policy relevance	FOAK, demo grants/ guarantees, work. capital financ. knowl. sharing/advis. launching customer	InnovFin, advisory (all stages)
Start-up	Pre-profit	Business angels, venture capital, grants, guarantees	Company, busin. model, mgm. team			ECBF (TRL 6-9), EDP, VC, VD, quasi-eq., guarantees
Scale-up	Pre-profit to profit	Venture capital, venture debt, supply chain finance	Markets, value chain, competition	Upside, risks	Financial instruments create markets/ demand	MCGF, VD, EFSI, subordin. debt, finan. instrum.
Growth	Profit	Private equity, debt, supply chain finance	Credit worthiness, markets, competition	Downside, risk mitigat.	Level playing field green tax shift create markets/ demand	Senior debt (direct/ intermediated)
Mature	Profit	Debt, bonds, supply chain finance				

ECBF – European Circular Bioeconomy Fund, EDP – energy demonstration project, MCGF – midcap growth funding, VC/VC – venture capital/debt

Direct EIB Lending for the Bioeconomy

InnovFin / EFSI for Mid-Caps

- 'Innovative' SMEs and Mid-Caps up to 3,000 FTEs
- Includes change in business model to Circular Economy
- Amounts typically between EUR 7.5m-25m

EFSI / Regular EIB loan

- 'Eligible Project' review
- Amounts typically over EUR 25m up to several 100m

Bankable projects, but can have elevated risk for InnovFin / EFSI
EIB finances **max. 50%** of project

Due diligence on borrower and project

Indirect Financing

- European Circular Bioeconomy Fund (www.ecbf.vc)
- Intermediated Loans

Case Study

Second generation of biofuel & biomaterials

Construction in Central EU of:

- bioethanol (B2G) (25kt p.a.) from advanced lingo-cellulosic sugars gained from agricultural residues (cereal straw)

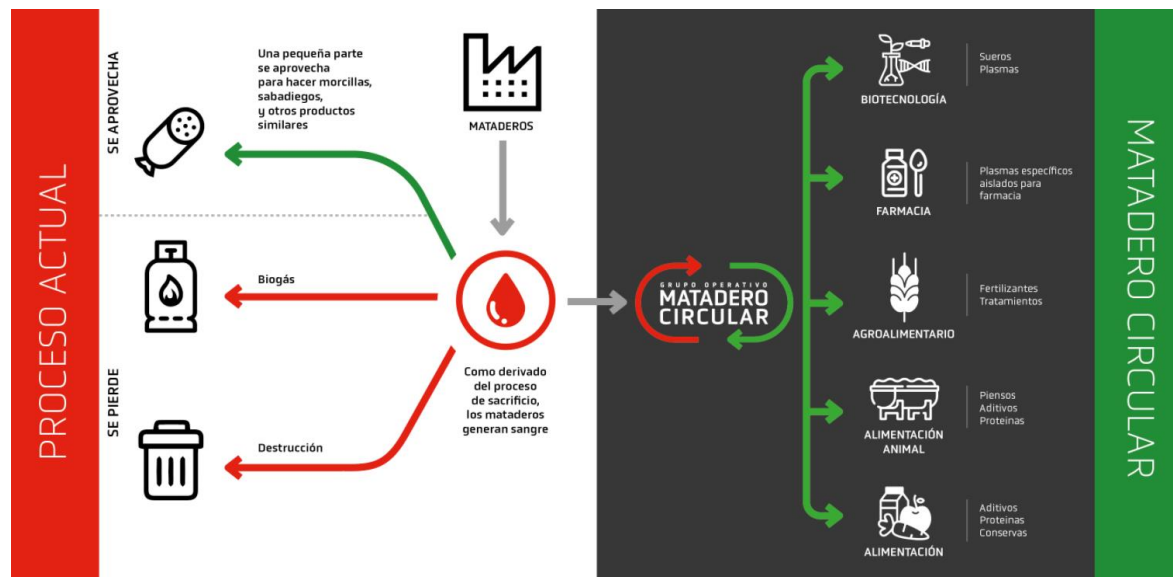


Total Project cost: EUR 155 m

Case Study

Converting slaughterhouse waste into pet food

Modernization in Spain of a plant that produces dry food for pets, using as main raw material animal sub-products not intended for human consumption and normally treated as waste, some of them expensive to dispose of (in particular blood).



Total Project cost:
EIB Loan:

EUR 33 m
EUR 15 m

Case Study

Automation of meat production facility

Production capacity extension, automation and innovation: construction of a pig rearing facility, refurbishment of existing meat production facilities and energy efficiency investments in CEE.



Total Project Cost:	EUR 61m
EIB Loan:	EUR 30m

CONTACTS

InnovFin
Advisory



European
Investment
Bank

The EU bank

Paulina Brzezicka

Innovation Finance Advisory
Advisory Services Division

Phone: (+352) 4379 82176

E-Mail: p.brzezicka@eib.org

European Investment Bank
100, boulevard Konrad Adenauer
L-2950 Luxembourg



European
Investment
Bank

Don't hesitate to contact us:
innovfinadvisory@eib.org
www.eib.org/innovfin

www.eib.org/circular-economy