



European Investment Bank

The EU bank



Thematic Impact Finance

“Bridging the financing gap for Green Transition”

Thematic Impact Finance Unit, Equity New Products Special Transactions Dept.

Action for Climate at EIB - Thematic Impact Finance

A partner of choice for the commercialisation of innovation and deployment of climate solutions



- ▶ Some of the most promising European companies (start-ups, SMEs) **struggle to find reliable investor partners** at a time they need them the most: early commercialisation and deployment.
- ▶ Since 2016 the **EIB has been a partner of choice** for impact investments, with **over €668m of signatures** supporting the commercialisation of innovation across the EU*.
- ▶ With the support of the European Commission, the EIB offers **thematic venture debt products** that enable EU innovators to grow their business.
- ▶ **ACTIF (Action for Climate Thematic Impact Finance**)** is a family of targeted investment tools tailored to the needs of high-risk ventures contributing to a more sustainable future

ACTIF

Which sectors are eligible under ACTIF?

ACTIF currently targets five sectors

Energy



- ▶ Renewable energy technologies (wave, PV, floating wind, biomass, etc)
- ▶ Energy storage, demand response and smart-grid solutions

Mobility



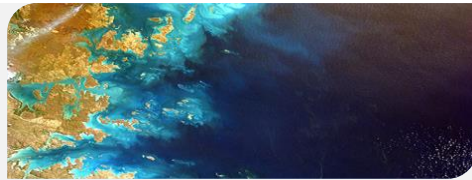
- ▶ New and adapted transport infrastructure and services (e.g. charging networks, drone delivery)
- ▶ Alternative fuels for HGV, Maritime and Aviation – Green H2 and Methanol
- ▶ Digitalisation of the transport sector and manufacturing of green mobile assets

Circular Economy



- ▶ Sustainable end-product, by-product and waste product recycling
- ▶ Key sectors incl. textiles, plastics, packaging, ICT, batteries, vehicles, construction materials, food, water, nutrients and energy equipment

Blue Economy & Bio-economy



- ▶ Multi-purpose offshore platforms, ocean observation technologies, solutions for coastal biodiversity, new products from blue economy and bio-technology
- ▶ Sustainability and climate mitigation in food production and supply chains, agriculture, farming, and forestry

Low-carbon solutions



- ▶ Carbon reduction for energy intensive heavy industry
- ▶ Innovative renewable energy and alternative fuels solutions, CC(U)S, and innovative energy storage applied to energy intensive industries

Typical financing structures offered under ACTIF

Flexible and tailored to the need of high-risk investments

Venture Debt		QUASI-EQUITY
<ul style="list-style-type: none">▶ Large tickets (EUR 7.5m – EUR 75m)▶ Up-front commitment of the full amount and gradual disbursements in 2-3 tranches▶ Long availability (24 -36 months)▶ Remuneration based mix of interest (cash /PIK) and success based (warrant/revenue sharing/royalties)	<ul style="list-style-type: none">▶ Bullet structure (non-amortising) possible▶ Long maturity (each tranche maturing 5-7 years after disbursement)▶ Milestones linked to business plan▶ Target IRR based on the risk of the investment▶ 50% co-investment rule	
RINGFENCED PROJECTS		PROJECT FINANCE
<ul style="list-style-type: none">▶ Large tickets (EUR 7.5m – EUR 75m)▶ Disbursements aligned with the investment plan▶ Long availability (24 -36 months)▶ Remuneration based on interest and profit/revenue sharing mechanism▶ 50% co-investment rule	<ul style="list-style-type: none">▶ Amortising structure▶ Long maturity aligned with the economic life of the underlying assets/ contracts' length▶ Reduced market risk via offtakes, PPAs, etc▶ Target IRR based on the risk of the investment (lower than venture debt)	

Who can apply to ACTIF?

Applicants need to fulfill *eligibility criteria* to be considered for ACTIF financing



You are a **Start-up or established company** in one of the key Climate Action focus areas



Investments to be financed are located in the **EU**



You have already raised **Series A/B equity** and your company needs additional financing for commercial demonstration, to accelerate growth or you are looking for ring-fenced project financing and you have secured **sufficient equity**



Sound and **sustainable business model**, professional management team and established corporate governance



What are the eligibility criteria under ACTIF?



You are investing in technologies and/or market **with high risk levels beyond the appetite of commercial lenders**, resulting in a limited available funding (market failure)



You have **high prospects of replicability**, based on the scalability of the business, its market potential and the availability of resources



You are looking to bring a new technologies, products, business models or manufacturing process to the market. The required **degree of innovation** (e.g. first of a kind) **and innovation stage** (commercial scale demonstration, scale-up, deployment) are sector-specific:



**COMMERCIAL
DEMONSTRATION**



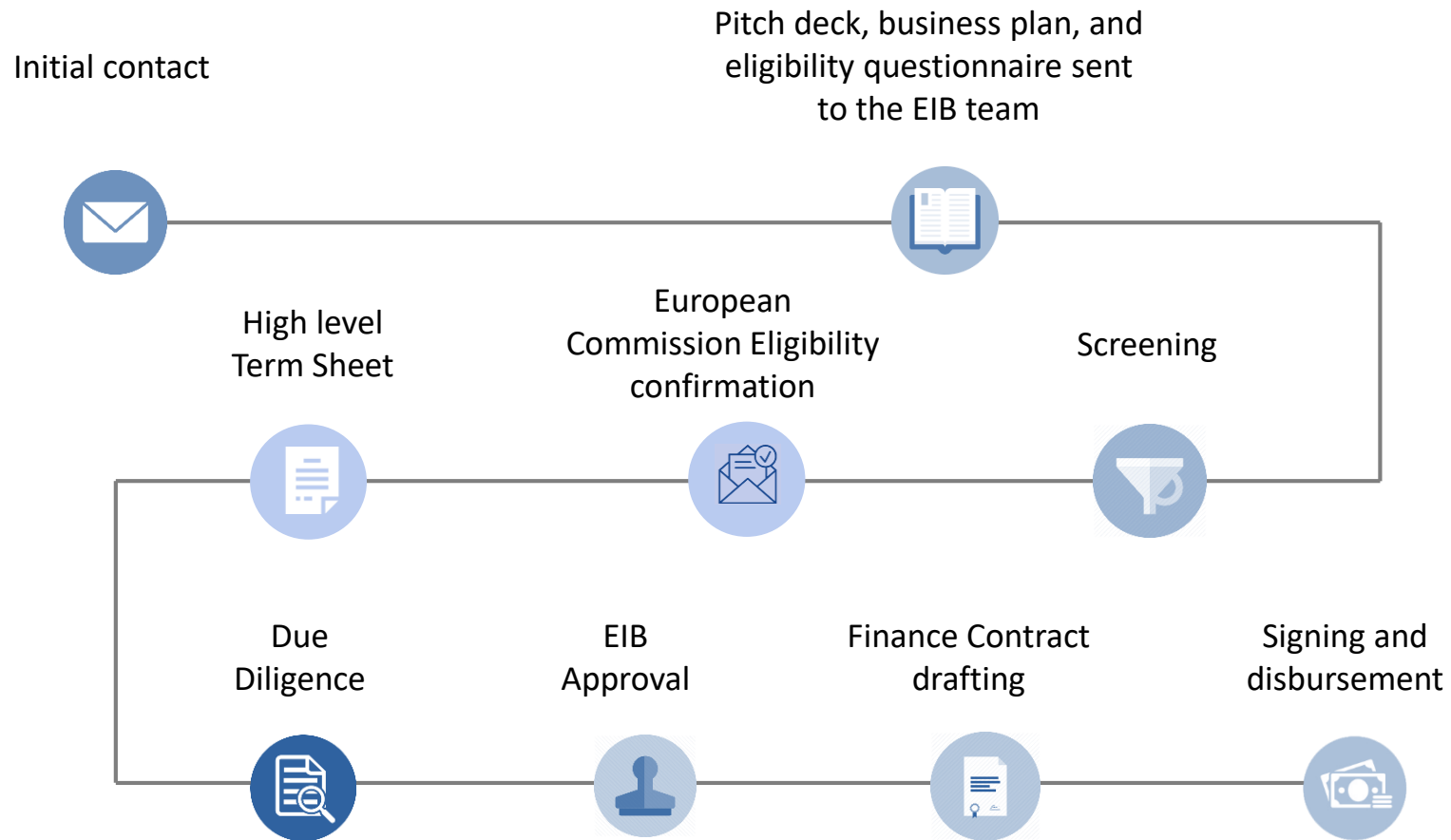
**LARGE SCALE
DEPLOYMENT**

- ▶ For **Clean Energy-Low Carbon innovation and Low-carbon solutions for industries**, eligibility focuses on the demonstration and early stage of deployment of innovation

- ▶ **Transport, Circular Economy, and Bio-Economy** have a broader eligibility scope also covering the deployment of sector-specific solutions

The financing process under ACTIF

It takes between 6-9 months to reach financial close depending on the complexity of the transaction



Contacts

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