

Rijksdienst voor Ondernemend Nederland





Finance table Sustainable Aviation

Agenda

- Introduction & context
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 - Kasper Zom, RVO
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- Observations on landscape
- Needs & Solutions
- Discussion
- Next Steps

Please note: the webinar is being recorded









Introduction & context

- The Finance Table is an initiative of sub-project "Strengthening the Ecosystem, part of the National Growth Fund project "Aerospace in Transition" (LiT) project supported by the Min I&W. The sub-project is executed by the NAG with the objective to support the growth of the LiT participants and the aerospace sector with a.o:
 - Certification
 - Intellectual property
 - Community building
 - Financing
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- The NAG is the trade association representing the Aircraft Manufacturing & Maintenance and Airport Development & Infrastructure









Goal of this webinar

- Inform
- Awareness
- Activation
- Collaboration
- And provide a new mean: the finance table









Observations on landscape

- Variety of parties, with different goals, for a mutual endgame
 - Knowledge development
 - Product development
 - Demonstrators
 - Ecosystem
- With different results at the end
 - Patents, Products, Systems, Services, New markets, New cooperations...
- With different aims:
 - Research continuation, increase ROI, accelerate for scale up,









Diverse challenges w.r.t. position value chain

- Difference in ambitions
- Different agenda's
- Different business models
- Different responsabilities
- Ownership of IP, licensing options?
- Development of innovations, or application of innovations?
- In cooperation: collective action, or the sum of individual actions?









Finance challenges

- as diverse as the positions in value chain, project, relationship
- however answers to previous questions determine finance opps
- more capital intensive + higher TRL > larger finance challenge
 - Demonstrators
 - Pilot lines
 - Certification
 - ...









Example – diversity challenges value chain

A contract manufacturer (CM) receives the order from an OEM for the delivery of a new type of product or system. *For the OEM it fulfills a need*.

This would require the CM to purchase a high speed assembly line for new materials to be assembled. *For the CM it's a new market to service*.

This line would also involve r&d work, to be (partly) outsourced to SME's and start/scale ups, *for them it's an opportunity to take off and get paid*.

For the contract manufacturer, it requires significant capital investments upfront and taking technical risk in the supply chain.

Who takes the risk & pain, who benefits, in which balance, within a value chain of different business models and thus finance challenges?









Applicant types and finance types

- Type of applicant:
 - Start-Up
 - Scale-Up
 - SME
 - Corporate
 - Institute
 - Pilot projects
 - Facilities or Fabs
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- Type of deliverables / life cycle position:
 - Products (recurring)
 - Services (recurring)
 - Machines & equipment
 - IT tools
 - Knowledge (non recurring services)

Authorities and government

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- Type of capital:
 - Subsidies
 - Shares
 - Convertible loans
 - Subordinated loans
 - Working capital
 - Asset financing
 - Bonds

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IPO

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Knowledge, technology, machine and tooling suppliers







Applicant vs Instrument vs Maturity



Type of financiers or investors

Private parties

Seed Capital Funds
Venture Capital Funds
Private Equity Funds
Venture debt Funds
Banks (possible with state guarantee)
Leasing companies
Factoring companies
Business Angels / Informals / Family Offices
Project financiers
Corporates/SME as development partner
Pension funds

Government related parties

Agencies of departments (RVO, AgSZW etc) NWO ROMs InvestNL EIC EIF EIB







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Attention points financiers or investors

Availability of Capital

Risk appetite

Thoroughness DD

Securities

Pricing

Governance and control

Sector dynamics

Dynamics financial markets in general

Team-Team-Team!! Distinctive proposition Market traction Businessmodel Clarity on IP position Proofpoints/VIPs/Roadmap Payback potential Exit strategy ESG, Sustainability, Impact

Be well prepared + transparant, funding rounds are time consuming!









Applicants vs Instrument vs Maturity



And similar situation: subsidies



GRANTS









Type of subsidy provider (examples)

Agencies of departments RVO (EZK), AgentschapSZW (SZW), ZonMW (VWS), DUO (OC&W),

Regions, Provinces - Noord, Oost, Zuid, West, the Provinces > also EFRO

Europe - EU for Horizon, specific programs as LIFE, EIC, CEF, Innofund etc. Interreg regions

Other countries – arrangements like WBSO, r&d en investment grants available











Attention points subsidies

- Many possibilities, different leadtimes, different intensity of application and admin
- Not every subsidy opportunity is efficient and effective in use
- The lower the level of TRL or maturity, the higher the percentage of subsidy
- Chances of succes depends on arrangement, provider (complexity, competition)
- Cooperation increases the succes rate, or leads to a higher percentage of subsidy
- Stacking subsidies IS ALLOWED, up to the limit of State aid (AGVV)
- Subsidy on commercial activities IS ALLOWED in several cases
- Monthly and even weekly there are new calls within several programs









Luchtvaart in Transitie – new subsidy program

- The new LiT subsidy program has 4 instruments:
 - Ondersteunend Onderzoek (OO) Supporting research for new technologies that will be market-ready in about 10 years (hydrogen powertrains and smart structural components)
 - VIM module (strengthening the SME ecosystem)
 - Knowledge and test vouchers vouchers for SME's so they can employ knowledge institutes to carry out research or testing activities
 - Feasibility studies ("haalbaarheidsstudies") feasibility studies for SME companies to determine the likelihood of technical and/or commercial success of further research and development activities
 - R&D projects subsidy for consortia of SME companies aimed at the development of new technologies









Details on all LiT instruments

	Supporting Research	Vouchers	Feasibility	R&D
Open	28 May 2024	28 May 2024	28 May 2024	2025
Total budget	€ 10.500.000	€ 600.000	€ 3.800.000	€7.600.000
Subsidy budget per round	€5.250.000	€ 300.000	€ 1.900.000	€ 3.800.000
Max. subsidy	€1.250.000,-	€ 15.000,-	€ 100.000	€ 350.000
Subsidy %	100-25%	50 %	50 %	50 %
Remarks	Tender	First come, first served	First come, first served	Tender
		Valid 2 years		









Ideas and suggestions

Start with Roadmaps:

- clear final goal of the organisation and project(s)
- clear milestones, proofpoints, deliverables (also in early stage)
- including financial roadmap! >>

Financial or Funding roadmap:

- kind of financing need, for what
- kind and amount of gap
- overall and per consortiumpartner in case of consortium

Activation: the Finance table is here to help – get in touch

- Deepening conversations, 1:1, with project partners
- Signal interest in investing parties, in cooperation opps, in technology scouting
- Ideas for application for subsidies, loans, investments in general









Discussion

- Are you aware of the possibility of different agendas of the various partners?
- Do you recognize the need for clarity on e.g IP and businessmodel before turning to investors?
- What financial challenges do you expect for yourself and for the partners in the project?
- Are you on track combining the development-, business- and funding roadmap?
- What challenges do you see, what solutions?
- What do you need on the short run?









Next Steps

- Communication on financing opportunities
 - LiT and NAG websites
- Webinars, Meetings and Workshops on dedicated topics, eg:
 - How to create a financial roadmap?
 - How to find investors?
 - Which funding instruments can be applied for?

Your input is needed!









Thank you

- Further questions?
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