Information session
Biotechnology IPCEIs

May 28, 2026

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AGENDA

- 14:00 Opening of the information session, Jari Seilonen, Business Finland
- 14:05 Welcoming words, Ulla Palander, The Ministry of Economic Affairs and Employment
- 14:10 Ipceis as a tool for European competitiveness, Reijo Munther, Business Finland
- 14:20 Biotechnology IPCEI scopes, Atte Virtanen, VTT Technical Research Centre of Finland
- 14:40 Application process and criteria, Jari Seilonen, Business Finland
- 15:00 Funding gap workshop, Michiel Humblet, European Commission
- 15:20 Applicant experiences with IPCEI funding, Laura Kela, Neste Oyj
- 15:35-16:00 Q&A

ULLA PALANDER

MINISTRY OF ECONOMIC AFFAIRS AND EMPLOYMENT

WELCOMING WORDS

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IPCEIS AS A TOOL FOR EUROPEAN COMPETITIVINESS

28.5. 2026

REIJO MUNTHER/BF

IPCEI, "Important Project of Common European Interest"

- IPCEI is a term used in EU legislation to describe groups of projects that are exceptionally important for the development of Europe's competitiveness and whose content is precisely defined. https://competition-policy.ec.europa.eu/state-aid/ipcei_en
- For these projects, Member States jointly seek the Commission's approval for state aid that differs in amount or content from aid frameworks or programmes already approved.
- A special feature is that public support extends all the way to the first industrial deployment.
- The Commission assesses the necessity of the state aid and its market distortion effects, as well as the global position of European industry in the subject area in relation to the importance of the topic for Europe's future.
- IPCEI funding decisions are based on the state aid notification approved by the Commission. The content of the projects, the costs, and the maximum amount of public funding are described in the Commission's decision.

Approved Integrated Important Projects of Common European Interest (IPCEI)

	Participating companies	Participating projects	State aid approved (EUR billion)	Expected private investments (EUR billion)	Participating Member States
First IPCEI on Microelectronics (2018)	29	43	1,9	6,5	
First IPCEI on Batteries (2019)	17	23	3,2	5	
Second IPCEI on Batteries – EuBatIn (2021)	42	46	2,9	9	
First Hydrogen IPCEI – Hy2Tech (2022)	35	41	5,4	8,8	
Second Hydrogen IPCEI – Hy2Use (2022)	29	35	5,2	7	
Second IPCEI on Microelectronics and Communication Technologies (2023)	56	68	8,1	13,7	
IPCEI on Next Generation Cloud Infrastructure and Services (2023)	19	19	1,2	1,4	
Third Hydrogen IPCEI – Hy2Infra (2024)	32	33	6,9	5,4	
Fourth Hydrogen IPCEI – Hy2Move (2024)	11	13	1,4	3,3	
IPCEI Med4Cure (2024)	13	14	1	5,9	
Total	283 247*	335	37,2	66	22 Member States, UK and Norway participated in at least one IPCEI

*Excluding the companies that participated in more than one IPCEI

Process for IPCEI identification & design

Identification – European level

Actions: Prioritization > pre-screening: pre-assessment fiche with industry consultation (in parallel), feedback COM services

Conclusion: is it doable, what kind of IPCEI (RDI/FID vs. infrastructure), are there any red lights?

Result: decision by technical level: go / stop

Pre-Design: Value-Chain

Actions: MS dedicate personnel, drafting of the scope & objective and the preferred value-chain addressed by the IPCEI (RDI/FID part), further stakeholder consultations and surveys with experts

Result: Value-Chain document, as input for the design phase and attachment for the national call for project proposals

Design 1: Exploration

Actions: COM expect MS to dedicate budget, one/two MS becomes coordinator, national calls for expression of interest (following recommendation of KP 2 of the NBP WG), matchmaking

Result: there is a coordinator, financing and projects

Attention! PN changed: COMP is now involved in Chapeau/ PP drafting

Endorsement letter of interest (high-level formation)

Political Commitment and Endorsement – National level

Manifesto (ministerial)

Design 2: Drafting

Actions: drafting of Chapeau, preparing project portfolios, FGs, supporting documents (using recommendation of KP 4 of the NBP WG)

Result: (pre-) notification

European Commission

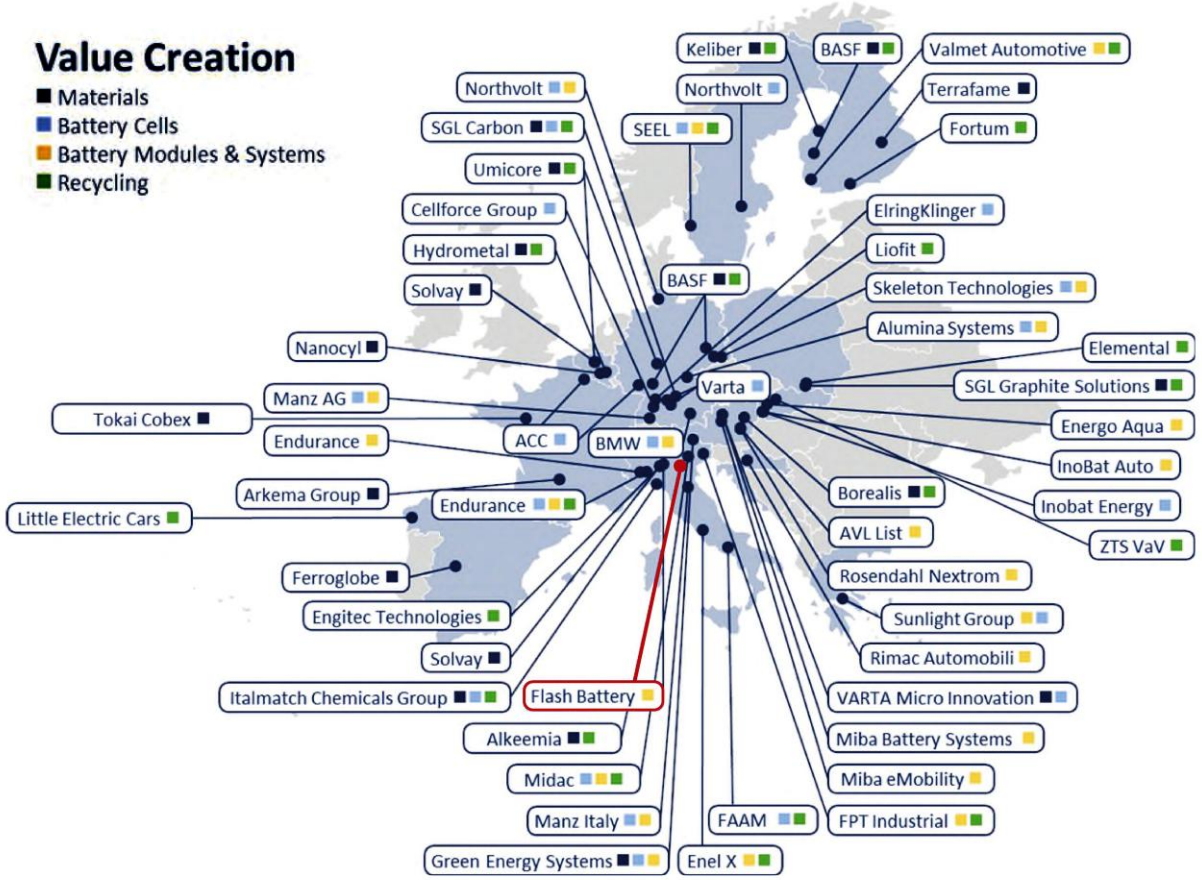
Fortcoming IPCEI calls

- **Advanced semiconductor technologies (AST)**
- Artificial intelligence (AI)
- Compute infrastructure continuum (CIC)
- Circular advanced materials for clean technologies (CAM)
- **Innovative nuclear technologies**
- **Biotechnologies (biobased chemicals, biobased materials, biotech for food and feed)**

Benefits of IPCEI for Finland and the EU

- **Finnish businesses will become part of the extensive strategic value chains emerging across Europe and, from there, access global markets**.
- Businesses are able to commit when market risk is shared in addressing major global challenges. Public funding compensates for market failures in a market that is only just taking shape.
- Research results progress into industrial investments within the EU.
- Industrial investments are directed to Europe.
- Jobs are created and retained in Europe.
- The industrial and societal structure is renewed to meet the targets set for 2050.

Networking is in the core of IPCEIs



- Example:

January 2025 the merger between IPCEI Batteries and IPCEI EuBatIn (European Battery Innovation) was made official, with a new joint structure coordinated by France and Germany.

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Thank you!

Reijo Munther
Business Finland

ATTE VIRTANEN

VTT TECHNICAL RESEARCH CENTRE OF FINLAND

BIOTECHNOLOGY IPCEI SCOPES

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This session clarifies what IPCEI biotechnology covers and why it matters now

- Explains scope and focus of Biotechnology IPCEIs
- Clarifies technology-neutral and feedstock-neutral principles
- Provides concrete examples across chemicals, materials and food/feed
- Highlights what types of projects are in scope for first industrial deployment

IPCEI biotechnology accelerates scaling of breakthrough technologies to first industrial deployment

- Core focus is first industrial deployment of innovative biotech solutions
- Bridges pilot and demonstration scale to industrial deployment
- Requires innovation clearly beyond state-of-the-art
- De-risks scaling and enables industrial implementation

Technology-neutral approach enables the best solutions to emerge

- Multiple technology pathways are eligible within the scope
- Includes fermentation, catalytic and enzymatic conversion, algae systems and biomass processing
- Advanced enablers include AI, digitalisation and genetic engineering
- Success is defined by performance and scalability - not by technology choice

Feedstock-neutral approach maximizes flexibility and regional competitiveness

- Broad range of renewable carbon sources are eligible
- Includes biomass, waste streams, recycled materials and CO_2
- Strong focus on circular use of resources and side streams
- Enables alignment with regional resource strengths across Europe

IPCEI supports integrated value chains from feedstock to end-use applications

- Projects can span upstream, midstream and downstream activities
- Strong preference for integrated, multi-step industrial systems
- Covers feedstock processing, conversion, product formulation and integration
- Enables industrial symbiosis and co-location with existing assets

Biobased chemicals enable cross-sector transformation through scalable platform molecules

- Focus on platform chemicals and intermediates used across multiple industries
- Key examples include organic acids, polyols and other building-block molecules
- Enables polymer precursors, specialty chemicals and industrial intermediates
- Applications span chemicals, plastics, coatings, agrochemicals and ingredient systems
- Intermediate focus maximises impact across multiple value chains

Biobased materials unlock high-performance and circular alternatives to fossil-based materials

- Targets materials with improved durability, recyclability and biodegradability
- Includes fibre-based materials, composites and lignin-derived materials
- Covers next-generation platforms such as cellulose-based materials and bio-based binders
- Applications include packaging, textiles, construction and automotive uses
- Strong focus on circularity through recycling, regeneration and material upgrading

Food and feed biotechnology enables scalable functional ingredients for future food systems

- Focus on ingredient-level outputs integrated into food and feed value chains
- Includes proteins, lipids, amino acids, vitamins, enzymes and bioactive ingredients
- Enabled by fermentation, cell culture, algal systems and biocatalysis
- Supports development of functional ingredients such as probiotics and nutraceuticals
- Ensures scalability and integration into industrial food production systems

Scale-up and system integration remain the critical bottlenecks to overcome

- High capital intensity and scale-up risks slow deployment
- Limited industrial references weaken business case and financing
- Fragmented value chains and infrastructure gaps constrain growth
- IPCEI addresses these by enabling first industrial deployment plants

IPCEI strengthens Europe’s competitiveness and accelerates the bioeconomy transition

- Reduces dependence on fossil-based and imported raw materials
- Enhances European industrial competitiveness and resilience
- Supports circular economy and sustainability objectives
- Drives cross-border collaboration and ecosystem development

Key messages define the role of IPCEI biotechnology

- Scale matters: focus is on first industrial deployment, not research or mass production
- Flexibility wins: technology-neutral and feedstock-neutral approach enable multiple pathways
- System impact is key: projects must create value across integrated industrial value chains
- Now is the moment: IPCEI unlocks investments that would otherwise not materialize

IPCEI biotechnology offers companies a unique opportunity to de-risk and scale industrial breakthroughs

- Focus is on first industrial deployment of new technologies, bridging the gap from pilot to full industrial scale
- Enables companies to scale breakthrough solutions with public co-investment and risk-sharing
- Scope is technology-neutral and feedstock-neutral, allowing multiple innovation pathways and resource bases
- Targets high-impact opportunities across chemicals, materials and food/feed value chains
- Provides access to cross-border collaboration, shared infrastructure and EU-wide industrial ecosystems

JARI SEILONEN

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APPLICATION PROCESS AND CRITERIA

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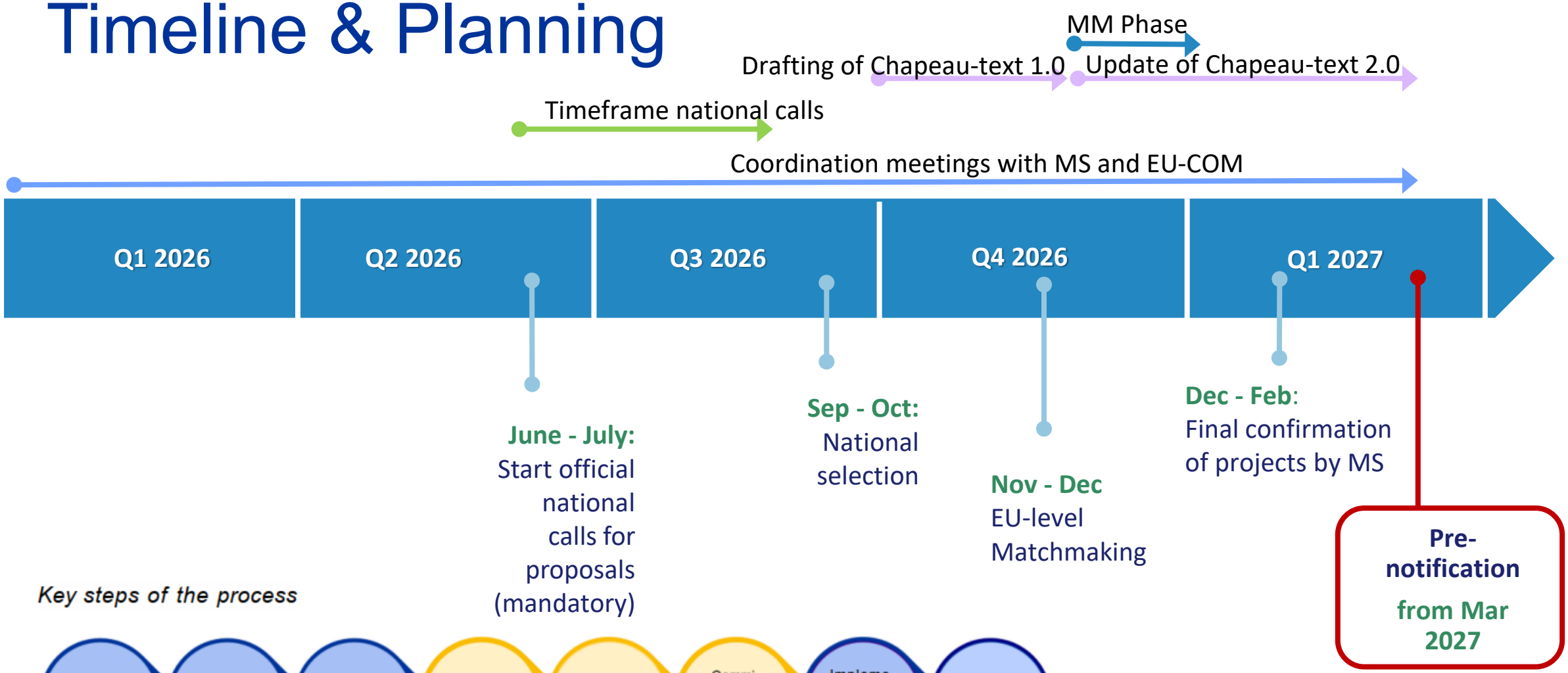
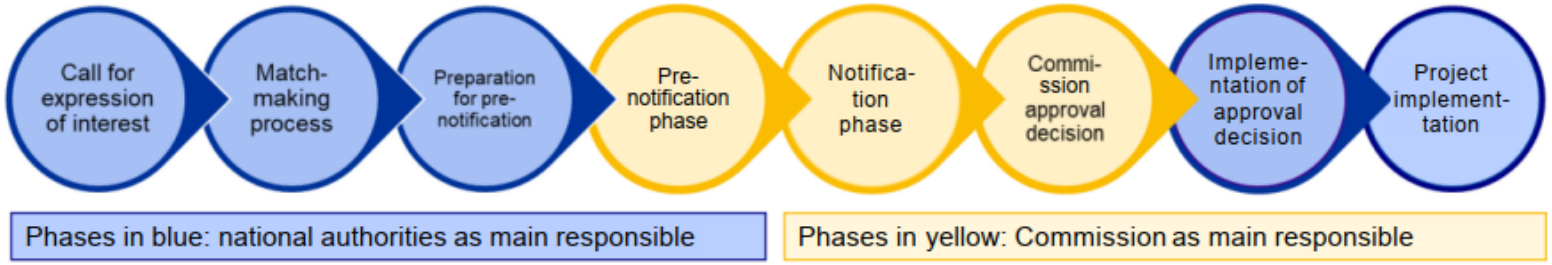
Timeline & Planning



Key steps of the process



COUNTRIES INVOLVED

THE NUMBER OF COUNTRIES THAT ENDORSED BIOTECHNOLOGY IPCEI CANDIDATES

THE NAMES TO BE DISCLOSED AFTER JUNE 15 (TENTATIVE)

Bio-based materials	Bio-based chemicals	Bio-based food and feed ingredients
12	11	12

The companies are encouraged to ask if potential European partners are aware of Biotechnology IPCEI in their home countries

HOW CAN I JOIN IPCEI - CRITERIA

	Direct participant (DP)	Associated partner (AP)
Type of project	R&D and/or first industrial deployment	Own R&D project
Funding	State aid based on IPCEI rules.	GBER (usual Business Finland terms and conditions apply) or other legal bases.
Maximum Funding	Based on funding gap, or eligible costs. No specific ceiling for funding, depending on the project.	Funding gap calculation not needed Max. public funding: 50 million euros of eligible costs
Process	Have to submit the application during the call	Have to submit the application during the call
Process	Have to participate in the matchmaking event (collaborations with other IPCEI partners needed)	Have to participate in the matchmaking event (collaborations with other IPCEI partners needed)

HOW CAN I JOIN IPCEI - CRITERIA

	Direct participant (DP)	Associated partner (AP)
Process	Needs notification (approval) from the commission	Notification not needed (national selection)
Process	Needs to participate in drafting chapeau document	Needs to participate in drafting chapeau document
Collaborations	Sufficient number of other DP and AP. No max nor min. Cross-border collaboration	One IPCEI DP (if SME), two IPCEI DP or one DP and one AP (if large), cross-border collaboration
IPCEI Governance	Important role in the governance	Representation in the governance of an IPCEI
Reporting	EU Commission (via member state)	National level

HOW CAN I JOIN IPCEI - CRITERA

SPILLOVER EFFECTS SHOULD SPREAD THE BENEFITS OF YOUR PROJECT BEYOND YOUR COMPANY

	Direct participant (DP)	Associated partner (AP)
Spill-over	Non-Intellectual Property ("IP") protected results: dissemination of the scientific knowledge, the skills and know-how created both in the R&D&I and FID phase IP-protected results: You are expected to commit to licensing on fair, reasonable and non-discriminatory ('FRAND') terms to any interested party the IP-protected knowledge and results of both the R&D&I / FID phases of your project.	Spillover activities (related to, e.g., the dissemination of non-IP covered results - through conferences) in at least 3 EU Member States

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HOW CAN I JOIN IPCEI - CRITERIA

SPILLOVER EFFECTS SHOULD SPREAD THE BENEFITS OF YOUR PROJECT BEYOND YOUR COMPANY

	Direct participant (DP)	Associated partner (AP)
Spill-over	First Industrial Deployment phase: Examples: providing access to FID facilities or equipment created with the State aid received (e.g., clean rooms, labs, etc.) for other companies and especially to SME, start-ups, in order to enable them to develop their own projects Direct participants must not perceive the delivery of spillovers as a burden but as an opportunity	

OTHER CRITERIA ACCORDING TO IPCEI COMMUNICATION

PROJECT MUST BE HIGHLY INNOVATIVE AND BEYOND STATE-OF-THE-ART

PROJECT MUST PROVIDE A CONCRETE CONTRIBUTION TO EU'S OBJECTIVES AND STRATEGIES

- Each IPCEI must contribute to significantly add value to the EU economy and society
- Contribute e.g. to the European Green Deal, the Digital Strategy, the New Industrial Strategy for Europe or the new European Research Area for research and innovation.

PROJECT MUST CONTRIBUTE TO OVERCOME IMPORTANT OR SYSTEMIC MARKET FAILURES, OR SOCIETAL CHALLENGES

- Addressing a demonstrated market or systemic failure justifying public intervention
- E.g. Externalisation of Environmental Costs; fossil-based materials negative environmental impacts are not reflected in production costs and are instead borne by society

OTHER CRITERIA ACCORDING TO IPCEI COMMUNICATION

PROJECT MUST BE INTEGRATED

- All individual projects participating in an IPCEI must be complementary to each other and together form an integrated IPCEI project (described in chapeau document)

YOU HAVE TO CONTRIBUTE TO THE FINANCING OF YOUR PROJECT

DO NO SIGNIFICANT HARM ("DNSH") PRINCIPLE

- Project must refrain from doing significant harm to the environment.

ELIGIBLE COSTS

THE ANNEX OF THE IPCEI COMMUNICATION HTTPS://EUR-LEX.EUROPA.EU/LEGAL-CONTENT/EN/TXT/PDF/?URI=OJ:JOC_2021_528_R_0002

Category	Description
Feasibility studies	Preparatory studies, technical assessments, and costs for obtaining permits required for project implementation
Equipment & instruments	Costs of equipment, installations, and transport vehicles used for the project (depreciation if not used over full lifetime)
Buildings, infrastructure & land	Acquisition or construction costs for project use; residual value must be deducted from the funding gap
Materials & supplies	Raw materials, consumables, and other necessary inputs for project execution
IP, research & consultancy	Patents, licenses, external research, knowledge acquisition, and consultancy services under market conditions
Personnel & overheads	Staff and administrative costs directly linked to R&D&I and related activities (incl. first industrial deployment)
First Industrial Deployment (FID)	Capital and operating costs linked to initial industrial scale-up with a clear R&D&I component
Other justified costs	Additional costs directly and necessarily linked to the project (excluding unrelated operating costs)

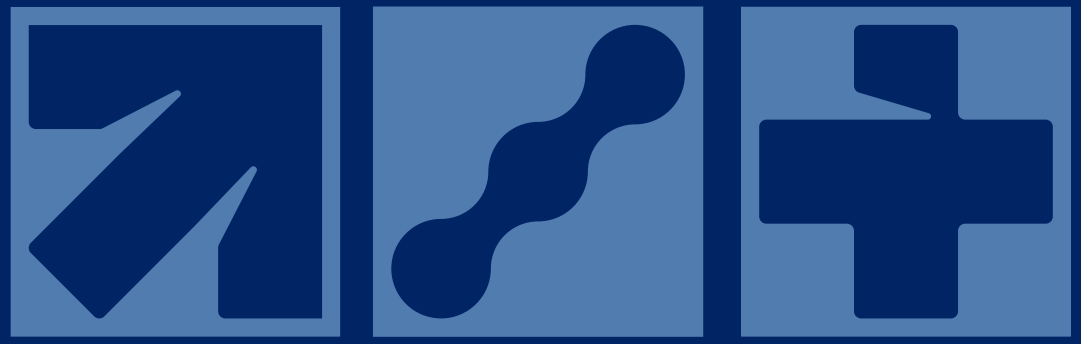
APPLICATION DOCUMENTS

GUIDANCE & TEMPLATES - COMPETITION POLICY - EUROPEAN COMMISSION

	Direct Participant	Associated partner
	Project portfolio	Project portfolio
	Funding gap excel	
	Business Finland application form	Business Finland application form
	Application forms and templates should be written in English	
	You must fill the templates completely to become eligible applicant	
	Your application can be modified / amended after the submission based on the comments by BF and EU Commission.	

HOW TO SUBMIT APPLICATION

- National call will open latest in the week starting June 15 and continue until September 6, 2026 (tentative)
- Application should be submitted via Business Finland Funding e-service Funding e-service
- Apply only in one call, either biobased materials, biobased chemicals or biobased food and feed ingredients in case you have only one project even if the content seemed suitable e.g. for biobased materials and biobased chemicals.
- Depending on the number and type of projects pre-selected as direct participants for each of the three IPCEIs, the process may continue either with three separate IPCEIs or it may evolve evolves into one or two merged IPCEIs
- Note: even if you are selected as a direct participant, you may be required to change to associated partner or may have to leave the process entirely, if the project does not comply with the applicable IPCEI criteria.
- Business Finland will support your application process at all the times



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Funding gap workshop

Directorate-General for Competition

28 May 2026 – Biotechnology IPCEIs webinar

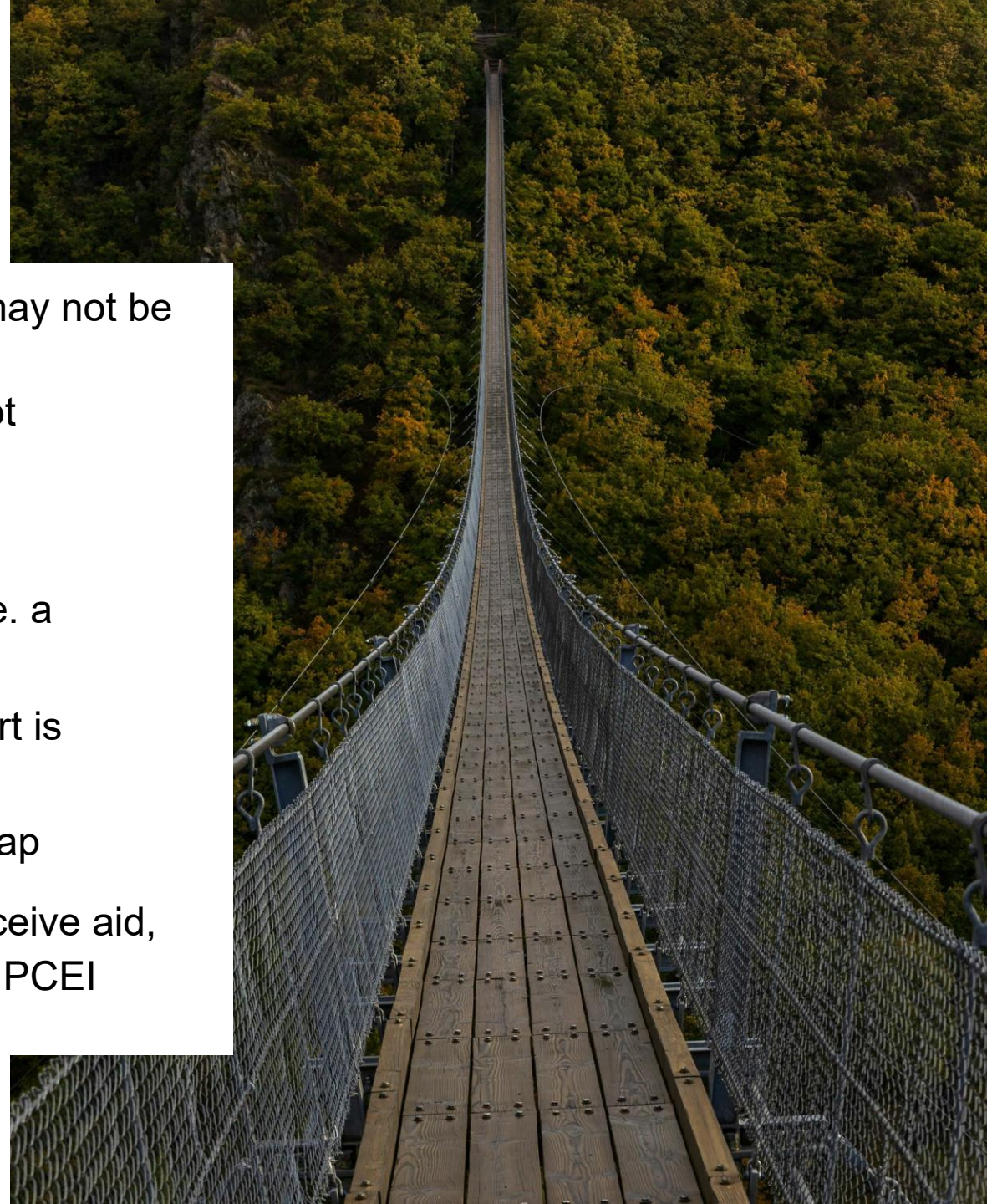
European Commission

Some questions we will answer

- What is a funding gap?
- What role does it play in State aid assessment?
- What are a funding gap's major components?
- How to calculate a funding gap?
- Commission's funding gap templates to help prepare and assess projects
- Points of attention when filling in the template

Projects with a funding gap

- In some circumstances, projects valuable to society may not be undertaken if solely left to market forces
  - Not attractive enough in financial terms, i.e. not sufficiently profitable
  - IPCEIs are good examples of such projects
- Such projects are characterised by a **funding gap** (i.e. a financing shortfall)
  - For the project to be undertaken, public support is needed
  - State aid is **necessary** to bridge the funding gap
- If a funding gap is present, the project is eligible to receive aid, provided all other applicable conditions set out in the IPCEI Communication are fulfilled



Funding gap in State aid assessment of IPCEI projects

- Funding gap assessment constitutes an essential part of the Commission's assessment of the **necessity** and **proportionality** of aid under the IPCEI Communication
- Funding gaps are used to determine:
  - **whether the aid is at all necessary** for the project to be undertaken (question: is there a funding gap?) and if so;
  - **how much aid is needed** (question: how big is the funding gap?)
- In particular, the IPCEI Communication imposes **two cumulative constraints** on the amount of aid that can be granted to a project:
  - Aid should not exceed the funding gap: **(discounted) aid amount ≤ funding gap**
  - Aid should not exceed eligible costs: **(nominal) aid amount ≤ total eligible costs**
- Under the IPCEI Communication, aid can be given up to 100% of a proven funding gap

What is a funding gap? A technical definition

- In financial terms, the funding gap equals the **sum of the project's discounted cashflows** (positive and negative) over the lifetime of the project
- All project's cashflows are **discounted** to their present value in the chosen valuation year using the company's **weighted average cost of capital** (WACC) as discount rate:

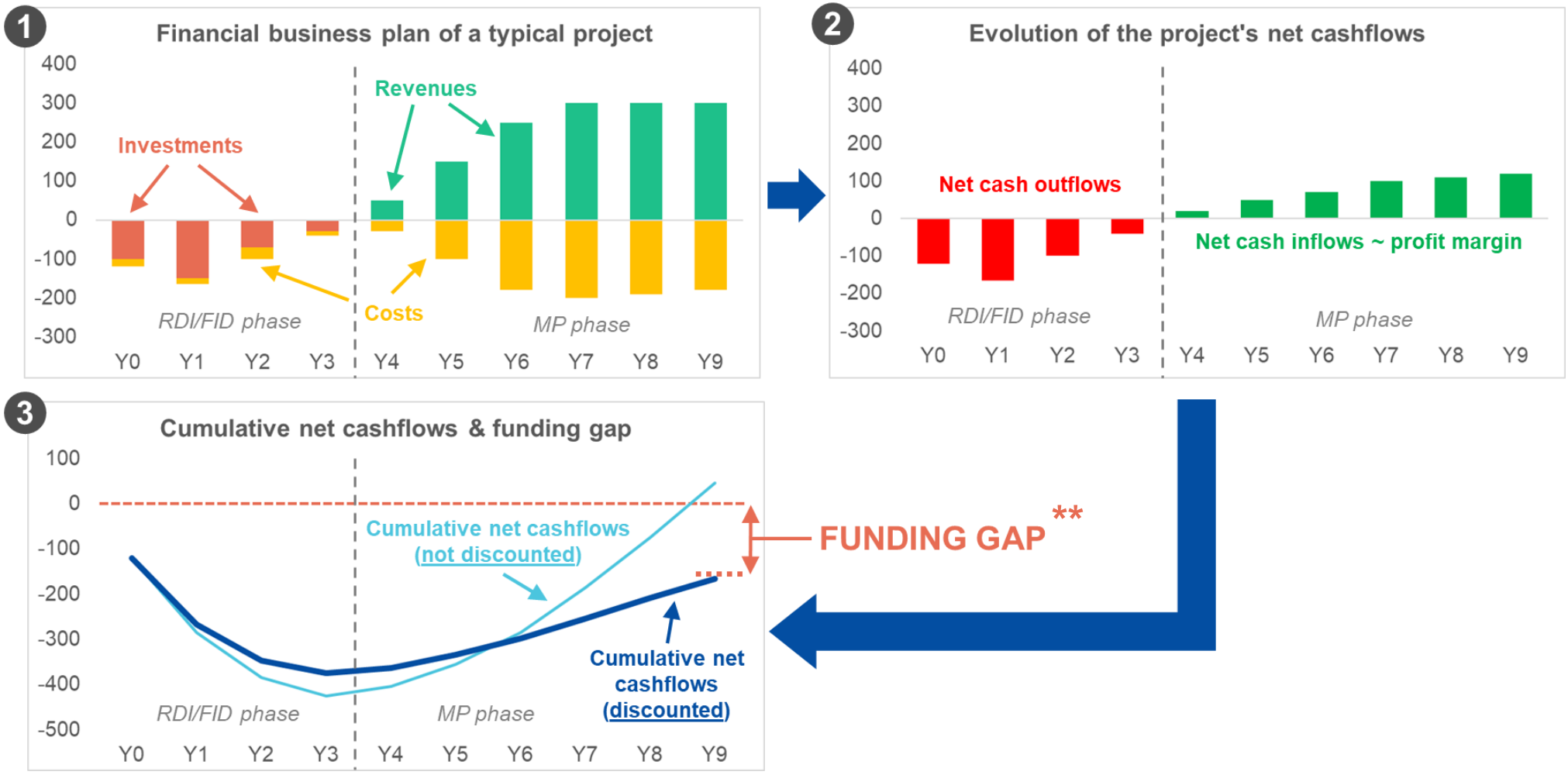
$$NNNNNN^{nn} = \sum_{tt=0} \frac{CCCCCCCCCCCCCCC_{tt}}{(1 + WWWWCCCC)^{tt}}$$

- If this sum – which equals the project's **net present value** (NPV) – is **negative**, the project is characterised by a funding gap and can be eligible for funding *

** Assuming that the NPV of the counterfactual scenario is 0*

How does a funding gap emerge?

Example for an IPCEI RDI/FID project

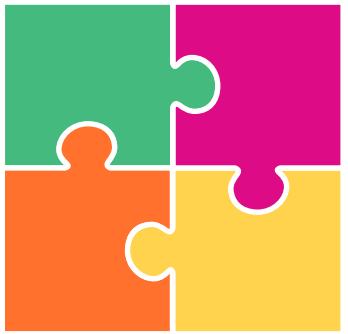


** RDI = Research, Development & Innovation; FID = First Industrial Deployment; MP = Mass Production*

*** Assuming that the NPV of the counterfactual scenario is 0*

Main components of a funding gap

- Capital expenditure (**CAPEX**), operational expenditure (**OPEX**) and **revenues**:
  - Clear assumptions, evidence-based (e.g. offers, market studies, forecasts)
  - CAPEX for RDI/FID: only depreciation costs of buildings and equipment incurred during the RDI and FID phase are eligible costs
- Weighted average cost of capital (**WACC**) used to discount cashflows:
  - Should be equal to company's WACC or calculated based on sectoral data (cfr. website of prof. Aswath Damodaran)
  - No project-specific risk premia as it is considered that aid de-risks projects
- **Terminal value**, i.e. remaining value of the project at the end of the forecast period:
  - Should not be negative
  - When the Gordon growth formula is used, assumed **growth rate** chosen should be justified



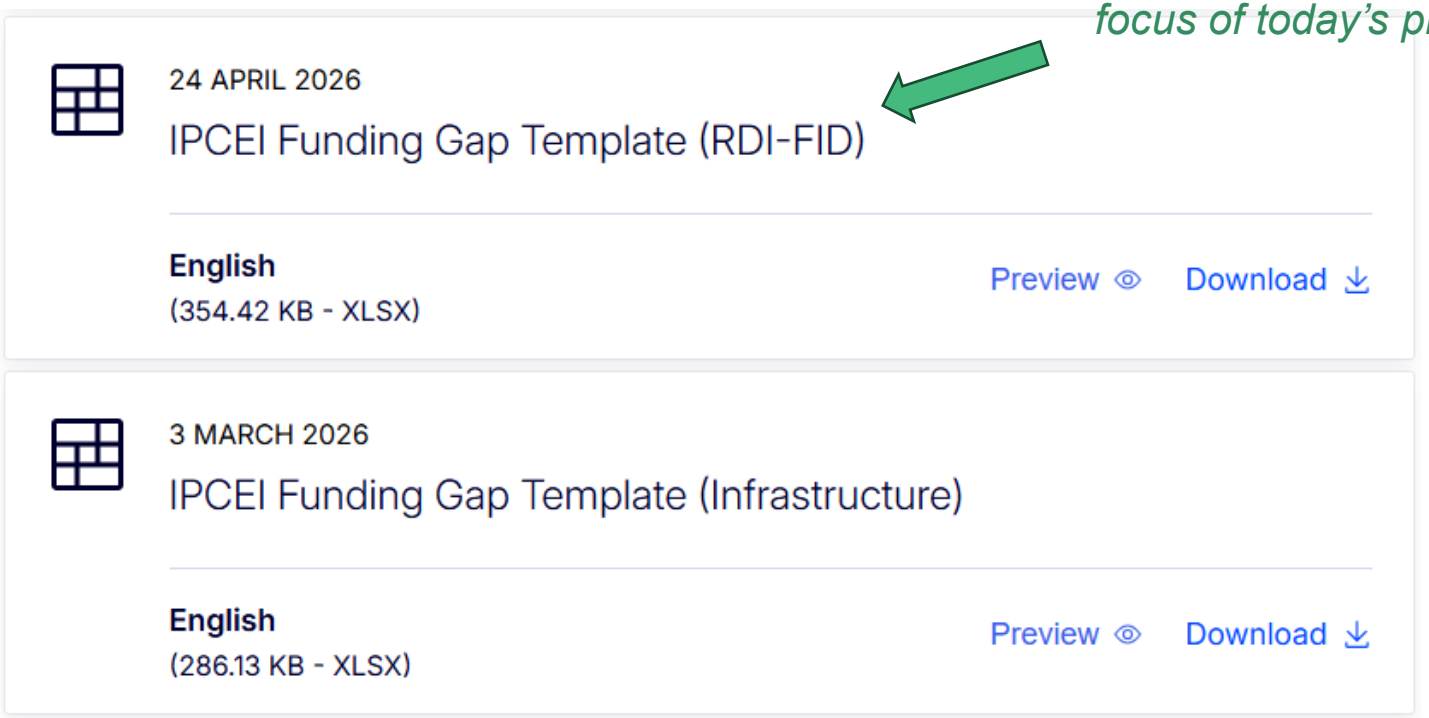
The funding gap template for IPCEI projects

- An Excel file with several worksheets in which project companies need to insert their **financial projections and assumptions** based on a pre-established format to calculate the project's funding gap and eligible costs
- It is intended to help companies to present their projects within integrated IPCEIs and complements the general IPCEI project portfolio template
- How does the template help?
  - It clarifies which financial data are needed and how it should be presented, releasing companies from the need to structure it themselves, and reducing the risk of errors
  - It includes formulas linking the data, allowing for an immediate calculation of the project's (negative) NPV, i.e. the funding gap
  - It also facilitates project assessment by DG COMP, to the extent that calculations are clear and the necessary supporting information is provided, and that the template enables automated data collection and the checking of consistency of assumptions across projects within the IPCEI
- A dedicated **"Guidance"** worksheet with instructions is available in the template to help Member States and companies navigate and fill in the template

Where can I find the Commission's funding gap templates?

- Available for download at the Commission's IPCEI website: https://competition-policy.ec.europa.eu/state-aid/ipcei/guidance-templates_en
- Two templates published so far*:

Relevant for most of the upcoming IPCEIs – focus of today's presentation



** All templates may be subject to further updates and clarifications.*

The funding gap template for IPCEI RDI/FID projects

General assumptions	(this information must be filled in for the rest of the file to work)
Please update the general assumptions as they best fit your project. The data inserted in the cells B18:B24 and B26:B27 below are just examples.	
Please enter these data before filling the rest of the worksheet: the columns will automatically adjust to the duration indicated in these cells.	
Valuation year	2024
First year of RDI phase	2024
Last year of RDI phase	2027
First year of FID phase	2028
Last year of FID phase	2029
First year of MP phase	2030
Last year of projections	2085
Depreciation	
Useful life of instruments / equipment (in years)	10
Useful life of buildings (in years)	30
WACC (weighted average cost of capital)	The WACC is calculated in tab "WACC"
Inflation rate	
Tax rate	You may use these cells to enter parameters used in your model

Project's timeline

LEGEND	
	cells contain built-in formulas & links - do not modify
	cells contain built-in formulas but can be modified
	cells need input data

Projections should cover the project's entire duration / product's lifecycle

Calculation: NPV of the factual scenario

Project phases		RDI	RDI	RDI	RDI		FID	FID							
									MP	MP	MP	MP	MP	MP	MP
	Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
1 - Costs for Research & Development & Innovation (RDI)														
1a) Feasibility studies, costs of obtaining the permissions required	0.00M													
1b) Costs of instruments / equipment	0.00M													
→ *Depreciation of instruments / equipment*	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M
1c) Costs of acquisition / construction of buildings, infrastructure and lan	0.00M													
→ *Depreciation of buildings and infrastructure*	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M
1d) Costs of materials / supplies	0.00M													
1e) Costs for patents / intangible assets / contractual research	0.00M													
1f) Personnel / administrative costs including overheads	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M
→ *Of which personnel costs*	*0.00M*													
-> *Underlying number of person-months*	*0*													
→ *Of which administrative costs (including overheads)*	*0.00M*													
1h) Other costs	0.00M													

Costs *for feasibility studies, instruments and equipment, buildings, materials, patents & intangible assets, personnel and other costs ("other costs" must be seen only as a* ***residual*** *cost category)*

The funding gap template for IPCEI RDI/FID projects

Revenues *should reflect the project's* ***realistic scenario****. Assumptions must be clearly described in the project portfolio and underlying calculations should be provided in a separate worksheet*

3 - Costs for Mass Production (MP)														
3a) Feasibility studies, costs of obtaining the permissions required	0.00M													
3b) Costs of instruments / equipment	0.00M													
→ Depreciation of instruments / equipment	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M
3c) Costs of acquisition / construction of buildings, infrastructure and land	0.00M													
→ Depreciation of buildings and infrastructure	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M
3d) Costs of materials / supplies	0.00M													
3e) Costs for patents / intangible assets / contractual research	0.00M													
3f) Personnel / administrative costs including overheads	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M
→ Of which personnel costs	*0.00M*													
-> Underlying number of person-months	*0*													
→ Of which administrative costs (including overheads)	*0.00M*													
3h) Other costs	0.00M													
Cost of sales (depreciations included)	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**
Costs cash-flows	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**
Main revenue	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M
Sales Volume	*0*													
Unit Price	*0*													
Other revenue	0.00M													
Total revenue	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**
EBIT (Earnings before interest and taxes)	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**
Taxes	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M	0.00M
Changes in Net Working Capital	0.00M													
Terminal Value	**0.00M**													
Terminal Value - discounted to valuation year	0.00M													
Cash-flows	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**
Sum of Nominal Cash-flows	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**
Discounted Cash-flows	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**
Sum of Discounted Cash-flows	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**	**0.00M**
Note that cells B100:B103 include the terminal value														
Net Present Value of the Factual scenario	**0.00M**													
Financing need in nominal terms	**0.00M**													
Financing need in discounted terms	**0.00M**													
Private funding share (discounted, %)	**0.00%**													

Taxes *should in principle be calculated* ***for all years in the forecast period****, including years with negative EBIT as it is considered that the project's negative EBIT can offset taxable income from a company's other activities, thus reducing overall taxes*

Red flags when filling in the funding gap template

- Profitable projects, i.e. projects with a positive NPV → no need for aid
- Economically unsustainable projects showing:
  - No revenues at all
  - Consistently negative EBIT during the mass production phase
  - A negative terminal value
- High revenues before the start of mass production (no/limited revenues during the RDI/FID phases)
- Understated revenues, e.g. projections ending at the peak of sales
  - Funding gap should cover the entire product's lifecycle or project duration
  - Projections should reflect a realistic scenario (not overly optimistic nor pessimistic) and be credible
- Cost and/or revenue assumptions not supported by evidence
- Outlier values when comparing to similar projects (e.g. WACC)

Filling in funding gap templates: dos and don’ts

Do’s:

- Add extra worksheets to detail underlying calculations for main costs and revenues assumptions
- Include in the project portfolio explanations on assumptions and calculations outlined in the funding gap template & ensure full consistency between both files
- Submit evidence supporting assumptions (e.g. internal analysis and/or external sources where available)
- Use formulas showing how estimates were done (and explaining those formulas when they are complex)

Don’ts:

- Attempt to by-pass cell protections in the funding gap template
- Copy-paste the template into another file to alter its formulas or structure
- Merge or combine multiple templates
- Use hard-coded figures (e.g. unusual decimal precision may indicate reverse engineering)

⚠ These practices hinder automated data collection

How to cater for uncertainty of projections?

- The funding gap calculation should be based on **credible future projections or estimates**, which **can be uncertain**
- While **ex-ante projections** must be based on best estimates and are scrutinised by the Commission, **ex-post developments** might differ from the initial projections
- Point 36 of the IPCEI Communication provides for the possibility to implement a claw-back mechanism:

  "As an additional safeguard to ensure that the State aid remains proportionate and limited to the necessary, the Commission may request the notifying Member State to implement a claw-back mechanism"

- In practice, all Member States participating in an IPCEI agree on **joint claw-back mechanism** covering all projects under the IPCEI – the claw-back mechanism may only apply to aid amounts **above a certain threshold**

Claw-back mechanism to ensure proportionality as well as performance incentive for the beneficiary

- A project can be **more profitable than forecasted** because of higher-than-expected revenues, lower-than-expected costs or faster implementation
- If projects exceed the ex-ante projections, it is equitable for taxpayers to share in the additional, unexpected gains through the claw-back mechanism
  - To ensure ex-post **proportionality** of the aid
  - To **reduce incentives for inflating the funding gap**, thereby further ensuring ex-ante proportionality
- At the same time, the mechanism should ensure a performance incentive for the beneficiary
  - The beneficiary remains entitled to a share of the additional unexpected profits

Any questions?

BACK-UP SLIDES

The funding gap template – WACC calculation

WACC components	Value	Source(s)
E = Equity		
D = Debt		
rf = Risk free rate		
Unlevered beta		
ERP = Equity Risk Premium		
DP = Debt premium		
T = Tax rate		

WACC calculation	Result	Formula
β = equity beta		$\beta = Unlevered\ Beta\ * (1 + D/E * (1 - T))$
Cost of Equity		$(r_f + \beta * ERP)$
E/(D+E)		
Cost of Debt (after tax)	0.00%	$(r_f + DP) * (1 - T)$
D/(D+E)		
WACC		

- Applicants need to justify their assumptions for the WACC parameters in the funding gap template
- Values indicated should be based on most recent available data
- Sources should be provided for each parameter
- No project-specific risk premia should be used as aid de-risks projects

The funding gap template – Terminal value

Terminal value methodology	1. Gordon Growth Formula
Terminal value	

Terminal value calculation	Value	Source(s)
1. Gordon Growth Formula		
g		
WACC		
CF_T	**0.00M**	
EBIT in the last year	0.00M	
depreciation in the last year	0.00M	
taxes in the last year	0.00M	
normalized CAPEX		
2. Exit multiples		
Please add as many rows as needed for the underlying calculations		
3. Other methodology (if properly justified)		
Please add as many rows as needed for the underlying calculations		

- Gordon growth formula proposed as standard methodology
- Growth rate assumed in the Gordon growth formula must be justified
- Other terminal value methodologies are available but their use should be justified
- Terminal value should not be negative

The funding gap template – Counterfactual scenario

- **Factual scenario**: what the company would do if it receives aid
- **Counterfactual scenario**: what the company would do if it does not receive the aid (e.g. same project but later, more slowly or scaled-down, no project)
- If, in accordance with point 32 of the IPCEI Communication, the counterfactual scenario consists in the **absence of an alternative project**, it is assumed in the "Counterfactual scenario" worksheet of the funding gap template that the NPV of the counterfactual scenario is 0

Applicant experiences with IPCEI funding

Laura Kela | 28.5.2026 | Business Finland webinar on IPCEI Biotech

NESTE

Neste's Participation in Hydrogen IPCEI

BUSINESS FINLAND

Direct Partner in HyTech Wave TF3 and TF4

Aiehaku 2021
Initial search and discovery phase participation.

Document Writing 2021-2022
Chapeau document and application submission.

Collaboration 2022
Matchmaking and multi-stakeholder coordination.

Regulatory Process 2022
Notification with TEM and Business Finland.

Coordination & Reporting 2022-2025
Hydrogen IPCEI HyTech TF3 coordination and reporting to European consultant and Business Finland.

NESTE

IPCEI Lessons Learned: From Hectic Application to Reporting and Termination

BUSINESS FINLAND

Funding decision of 27 MEUR was received from Business Finland

Euroopan unionin rahoittama – NextGenerationEU

The Application Process

- Hectic notification phase with wide scope and hard deadlines.
- Ad-hoc, unexpected workload was high.
- Hard to find clear documentation guidelines.
- **Funding Gap:** High complexity; requires showing unique need for public funding.

Internal & External Synergy

- Cross-functional input: Business, Legal, IPR, R&D, and Finance.
- Reliance on **consultants** for documentation.
- Managing matchmaking & contract modes.

Coordination & Reporting

- "Chapeau" system: Managed by German lead; mandatory participation.
- Coordination and reporting responsibility requires designated person with considerable amount of working hours

Dynamic Scope Management

- Scope amendments required during the project lifecycle.
- Business Finland significantly supported changes until scope shift was too large.
- **Outcome:** Decision to terminate funding due to scope misalignment.

NESTE

Thank you

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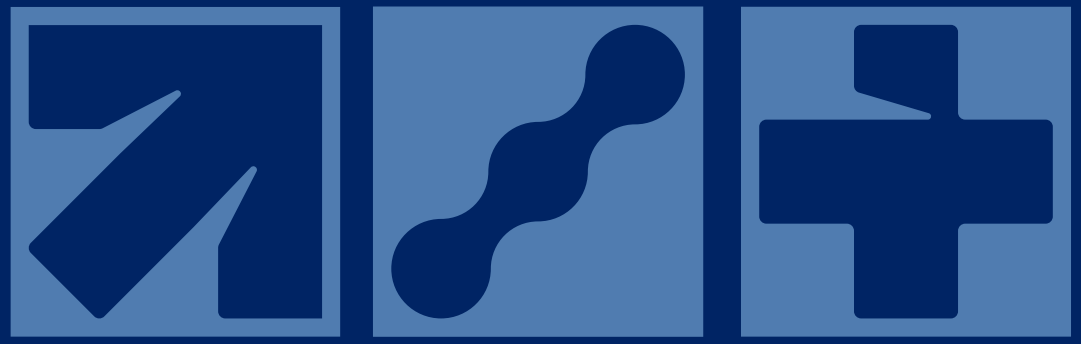
Q&A SESSION

BUSINESS
FINLAND



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