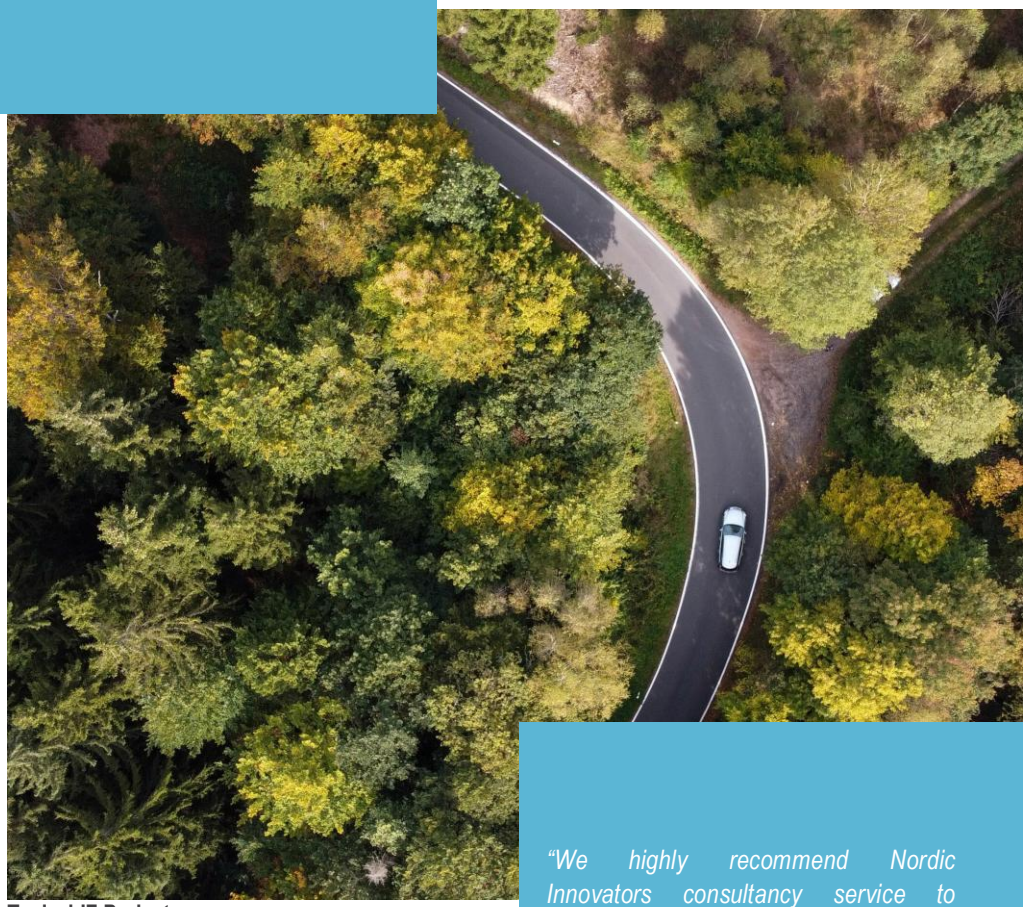
INNOVATION FUND

NORDIC INNOVATORS



INNOVATION FUND

Driving clean innovative technologies towards the market

Purpose

The Innovation Fund (IF) is one of the world's largest funding programmes for the deployment of net-zero and innovative technologies. IF provides grants for investment projects aiming at commercial deployment of innovative low-carbon technologies, with the objective of bringing to market industrial solutions to decarbonise Europe and support its transition to climate neutrality. The IF is funded by the EU Emissions Trading System (EU ETS) – the world's largest carbon pricing system – and it is used as the main driver for the programme.

What Technologies are Supported?

IF is technology agnostic, projects must support sectors included in the Annex I of the EU ETS regulation. Other sectors can only apply to "use of renewable energy".

RFNBO hydrogen or electrolytic low-carbon hydrogen are restricted to small-scale projects.

Funding

Grant calculated as 60% of the Relevant Costs*

*RC= CAPEX + discounted OPEX – discounted Revenue.

- Only CAPEX and OPEX in EU/EEA countries are eligible.
- No maximum grant except for Pilots (€40 M).

Milestone-based payments (lump sum):

- Financial Close (up to 40% of payment)
- Entry into Operation & Reporting period* (at least 60% of payment).

*Operation should be min. 5 years for LSC, MSC and Manufacturing, and 3 years for SSC and Pilots.

Budget

Total budget of € 2.9 bn (with 20% flexibility):

- Manufacturing (incl. EV batt.): up to € 1 bn
- Pilots: up to €0.3 bn
- Small-scale: up to €0.1 bn
- Medium-scale: up to €0.3 bn
- Large-scale: up to €1.2 bn

Main Pillars

The application should address one of the following areas:

1. Energy Intensive Industries (EII)
2. CO2 storage or use in EII
3. Renewable energy
4. Energy storage
5. Mobility: maritime, aviation & road
6. Buildings

Typical IF Project:

- Time to Financial Close: ~1 year (max. 4)
- Time to Entry into Operation/Construction: 1-3 years
- Operational period: 5-10 years for LSC, MSC and Manufacturing, 2-3 for SSC and Pilots

*Large Scale (LSC)**

- €103.1 M average grant (€356 M max.)
- 693 kt CO2e/y average GHG avoidance

*Small Scale (SSC)**

- €3.65 M average grant (€4.5 M max.)
- 22.7 kt CO2e/y average GHG avoidance

*Based on 2020-2022 calls (no breakdown provided for more recent calls)

Eligible Countries

Applicants from any country in the world, but the project must be deployed in EU member states or EEA countries (Norway, Iceland or Liechtenstein).

Expected Deadline

April 23rd, 2026

"We highly recommend Nordic Innovators consultancy service to anyone seeking expert guidance and support in securing financing for their R&D&I projects. Their team of consultants are knowledgeable, dedicated, and genuinely invested in the success of their clients. If you want to take your technology and business to the next level, this is the team to turn to!"

Jan Halvard Aas Møller
CFO Arbion Industries AS

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Innovation Fund Application

Innovation

High degree of innovation versus commercial and technical state-of-the-art, such as first-of-a-kind (FOAK) projects.

Technical and operational project maturation

At application start, the project should have completed FEL 2 (Feasibility Study) and be preparing FEL 3 (Front-End Engineering Design).

Large- and Medium-Scale projects should point towards a fully operational solution. Small-Scale and Pilot projects allow for the deployment of sub-commercial scale demonstrators.

Projects must demonstrate the 'do-no-significant-harm' (DNSH) principle for their specific economic activity(ies). Contributions to Europe's industrial competitiveness and resilience are crucial.

Financial maturation

Beneficiaries must elaborate on a solid, credible business model.

Key financial entities providing the required equity and debt funding must be identified and provide proof of support.

Projects must demonstrate the support of suppliers and off-takers.

GHG emission avoidance

The project must estimate the emissions avoided versus a reference scenario. Both absolute and relative avoidance are evaluated:

- Pilots must achieve at least 50% relative GHG emission avoidance
- Other projects must reach 75% relative GHG emission avoidance

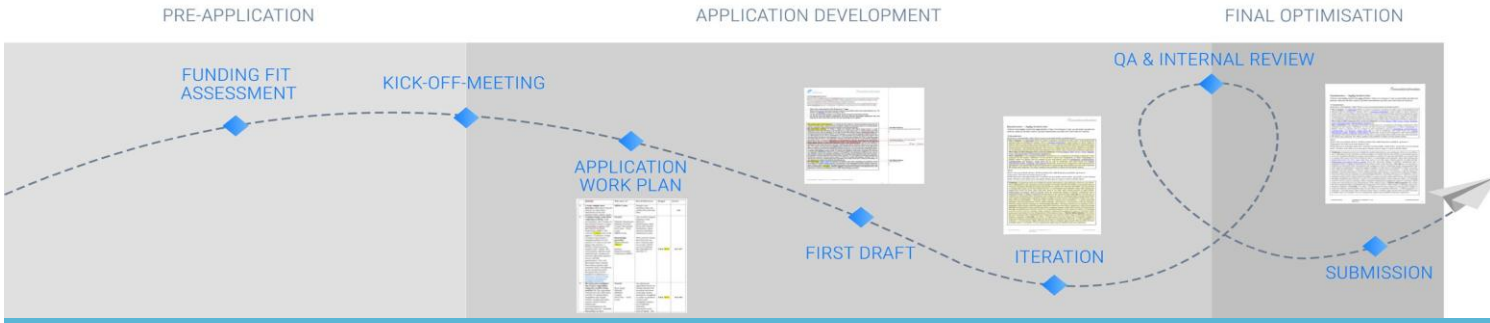
Required Documentation:

- Part A: Participant Data
- Part B: Written application
- Part C: Key KPIs
- Business Plan
- Feasibility Study
- Excel files: GHG calculations, Relevant Costs & Detailed Financial Model
- Other Annexes: Support, CVs, technical reports, due diligence, permits, etc.

Innovation Fund Process

Nordic Innovators takes the lead in the preparation and submission of a high-quality written application. Our collaborative approach to developing an IF application ensures timely delivery of a strong application.

In addition, we also provide hour-based services for specific tasks like e.g. market research, financial model and/or documents review and quality control.



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