

Technical Assistance Facility (TAF) for Industrial Modernisation and Investment

CASE STUDY: VALIDATING FINANCIAL PROJECTIONS FOR A PROJECT TO UPSCALE AND UPGRADE PRODUCTION

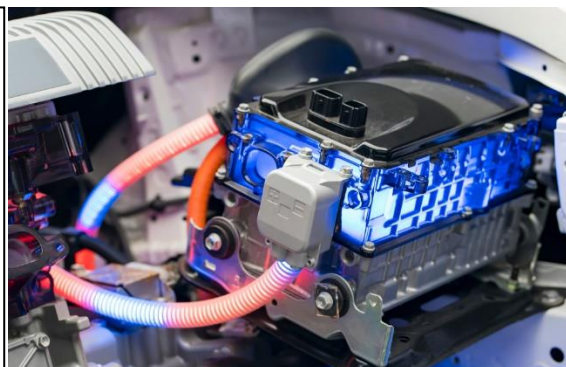
Project name: Crystalline Nano-Silicon Powder for anodes in Next-generation Li-ion Batteries

Partnership name: [Advanced materials for batteries](#)

Geographical coverage: Akershus/Viken (NO) and North Savonia (FI)

Estimated investment volume: EUR 42 million

TAF support extended: Business advice to assess the viability of the proposed business model and foreseen financials



Source: Shutterstock

Project objective

The project foresees the upscaling and improvement of the production of nano-silicon powder to be employed in the development of lithium-ion batteries anodes, by increasing the production capacity and by upgrading the existing solution currently sold on the market with a bio-based carbon-coating. This benefits battery manufacturers by providing a more efficient and environmentally friendly material to them.

Impact of TAF services

- ✓ The project received TAF business expert support between May and August 2021. The main outcome was the **review of the financial projections of the project as well as the development of an updated business plan**.
- ✓ The updated business plan **divided the project into two phases**, one to significantly increase existing production, and the other one to improve the production methods.
- ✓ This allowed the project team to assess more clearly the challenges and opportunities for each phase, differentiating for example between financing needs for research and production increase.
- ✓ In addition, **production estimates, sales projections, costs and revenues, investment needs were reviewed and further detailed out** supporting the project team in their applications for financing as well as providing them with a reusable template to update the calculations as their project develops.
- ✓ Finally, the TAF support helped the project to **clarify relations and the type of cooperation between core project partners and supporting partners** in the implementation of their business plan.
- ✓ With this, the project team has been able **reach out to investment companies** to enter into further discussions also with commercial banks for funding needed for production increase. For phase two, the advisory service identified research funding opportunities that the project team will investigate further.

Lessons learnt for other S3P-Industry projects

The delivery of TAF services highlighted the positive impact of collaboratively developing a business plan as this allowed the project team to consider the project from a wider perspective. This **uncovered additional cost items in the project, helping to make the revenue projections more realistic**. It also allowed the team to think more strategically about their project, updating the relationship between partners and clarifying the timeline and phasing of the project. Finally, the importance of supporting documents such as letters of intent from potential customers, agreements on electricity supply and other have been flagged as important to increase the credibility of a business plan in discussions with banks and potential investors.

For more information, please check the TAF page at: https://eismea.ec.europa.eu/technical-assistance-facility-taf-industrial-modernisation-and-investment_en