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Koehler Group Invests in the European Circular Bioeconomy Fund (ECBF) in an Effort to Actively Foster Innovation Developments

- **The European Circular Bioeconomy Fund (ECBF) has announced its third closing with significant financial commitments in order to reach its overall target of EUR 250 million**
- **Koehler will be contributing EUR 5 million, with a focus on advancing new technologies and business models in view of expanding the circular economy and bioeconomy**
- **The ECBF already counts companies such as Nestlé and Neste among its investors, as well as numerous private investors and family businesses**

Oberkirch, 7/22/2021 – The Koehler group is investing in the European Circular Bioeconomy Fund (ECBF) with the aim of actively fostering the development of sustainable innovations and technologies. The ECBF is the first growth investment fund to be dedicated exclusively to projects in the field of the bioeconomy in Europe, including the accompanying circular economy. With a targeted fund size of EUR 250 million, the ECBF is set to become an important international financial instrument and to contribute to making Europe climate-neutral by 2050. Koehler is investing a total of EUR 5 million.

Spotlight on Innovations and Business Models that Promote the Circular Economy

Koehler Paper entered the flexible packaging paper market in 2019 with a EUR 300 million investment in a new manufacturing line for this type of paper, making this the largest investment in the history of the over 210-year-old company. The intention is for flexible packaging paper with functions specific to particular applications to replace plastic packaging in future. As Dr. Stefan Karrer, Chief Operating Officer at Koehler, says: “Koehler is specifically developing new products that meet the sustainability objectives of both its customers and of society as a whole, thereby establishing a leading role in the bioeconomy.” In doing so, the company is also tapping into new markets, for example thanks to its plans to start manufacturing bio-based materials for the rubber industry.

The circular economy conserves natural resources, and is one of the prerequisites for reaching the EU’s climate objectives in order to become climate-neutral by 2050. The Koehler Group is currently working on a range of innovations with a focus on circular economy concepts. “When developing innovations, we not only make use of internal expertise, but also rely on collaborations and start-ups. Our involvement in the ECBF will hopefully help to ensure that targeted funding is provided for promising technological developments,” Dr. Karrer continues. This not only pertains to technologies for Koehler Paper, but also to a range of other activities and business models within the Koehler Group.

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Participation in the European Circular Bioeconomy Fund (ECBF): a Sustainable Investment

Participating in the ECBF represents a responsible and sustainable investment into a fund that, unlike many others, is focused on the long term. It works on the basis of a 10-year horizon, and concentrates on companies with growth potential in the bioeconomy, including the bio-based materials and industrial biotechnology sectors, in order to promote the circular economy through new technologies and innovations. However, its contribution is not only a financial one: Its investors share their expertise at regular workshops on various market segments in order to identify promising target markets and investment opportunities for the ECBF. Koehler sees this as an opportunity to create synergies for the flexible packaging paper business area, for example in order to foster the development of bio-based barrier functions. However, the development of new business models based on the circular economy is also of paramount importance.

First Investments in Companies Already Made

Alongside Koehler, BÜFA and another private investor participated in the third closing of the ECBF. Michael Brandkamp, General Partner at ECBF Management GmbH is delighted by Koehler's involvement: "What unites all of the investors in this fund is the desire to stimulate growth in innovative, bio-based companies and to promote solutions to pressing needs in the quest for sustainability. Thanks to its expertise in developing flexible packaging paper, Koehler is an asset to our fund and thus to the further development of the circular economy." Together with the European Investment Bank (EIB) the ECBF, which has its headquarters in Luxembourg, has already made its first investments in companies. During the final phase of expansion, up to 25 companies with a high potential for innovation, and that are in an advanced stage of development, are set to receive funding.

Figure 1: Koehler Group headquarters (Source: Koehler Group, Koehler-Group_Headquarters.jpg)

Figure 2: European Circular Bioeconomy Fund, ECBF (Source: ECBF, Press release ECBF Koehler.jpg)

About the Koehler Group

The Koehler Group was founded in 1807 and has been family-run from that moment to the present day. The group's core business activity lies in the development and production of high-quality specialty paper. This includes—among others—thermal paper, playing card board, drinks coasters, fine paper, carbonless paper, recycled paper, decor paper, wood pulp board, sublimation paper, and also innovative specialty paper for the packaging industry since 2019. In Germany, the Koehler Group employs 2,500 people across five production sites, with three additional sites in the USA. The group has international operations, with exports of over 70% in 2020 and annual revenue of 770 million euros.

As an energy-intensive company, Koehler invests in renewable energy projects such as wind energy, hydropower, photovoltaics, and biomass. The Koehler Group has set a goal of producing more energy from renewable sources by 2030 than is required for its paper production operations.

Find more information at: <https://www.koehler.com>

About the ECBF

The European Circular Bioeconomy Fund (ECBF) invests in ambitious and visionary entrepreneurs and encourages private and public investors to assist in the development of late-stage bioeconomy companies. The objective of the fund is to close the funding gap in the European bioeconomy, in particular in order to bring Europe's first-class expertise in the field of circular technologies to the market. The ECBF is based in Luxembourg, is managed by Hauck & Aufhäuser Funds Services S.A. as Alternative Investment Fund Manager (AIFM) and is advised by an experienced investment team at ECBF Management GmbH. As a growth-stage venture capital fund, ECBF is able to offer both project financing and typical venture capital investments.

The objective of the ECBF is to invest in the most promising investment targets in the European bioeconomy and to encourage private and public investors to participate in financing rounds.

Find more information at: <https://www.ecbf.vc>

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