

Conclusions

RIFT-Series B - sub-project (NL)

INVEU-ICR-0085-2025 – Sustainable Infrastructure Policy Window; Research, Innovation and Digitisation Policy Window (SIW; RIDW)

Short description of the financing or investment operation and its objectives

Name of financial recipient	Renewable Iron Fuel Technology B.V.
Type of the final recipients	SMES
Countries of Implementation	The Netherlands
Implementing Partner	Invest-NL Capital N.V.

RIFT (Renewable Iron Fuel Technology B.V.) is developing an innovative circular energy solution for decarbonising industrial heat, one of the largest hard-to-abate sources of CO₂ emissions globally. Its proprietary system combusts iron powder in boilers to generate high-temperature, carbon-free heat. The resulting by-product, iron oxide, is reduced back into iron powder using hydrogen in RIFT's production facility, enabling a closed-loop fuel cycle.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 14 October 2025 for the above-mentioned operation.

Additionality

The investment directly addresses “first-of-a-kind” technology and operational scaling risks, which are beyond the typical risk appetite of private or public financiers focused on established infrastructure or pure venture capital. Venture capital is not widely available for unproven deep-tech in capital-intensive infrastructure, particularly where returns hinge on both technological and market breakthroughs, as well as regulatory alignment (EU ETS). The combination of technology risk, capital intensity, long development lead times and regulatory risk makes it difficult to attract sufficient private financing.

The direct participation of Invest-NL, de-risked by the InvestEU guarantee mobilises a diverse group of public and private investors, reinforces credibility in the market, and secures a syndicate-led solution that ensures full financing of the direct equity round.

Without InvestEU support, the investment would not have been undertaken - or not to the same extent.



Investment Committee of the InvestEU Fund

Meeting IC 45 of 14 October 2025

Online

Market gap

Without targeted support, underinvestment can occur because private returns do not reflect the full social and environmental benefits (reduced GHG emissions, improved air quality, enhanced energy security, circular resource use) of the activity.

As an early-stage SME with intangible assets (IP, know-how) and no collateral base, RIFT faces high perceived risks and relatively limited access to private capital. The project involves first-of-a-kind (FOAK) infrastructure with inherent technology, scale-up, and construction risks. Such risks exceed the appetite of most conventional private investors.

RIFT has to build its own value chain - building both supply (production plant) and demand (industrial boilers and offtake agreements) simultaneously. Traditional financing mechanisms are not designed to address this dual challenge, creating a potentially suboptimal investment situation.