

EXECUTIVE SUMMARY
ADVANCED MATERIALS FOR A BETTER WORLD
(CH-L1156)

The project proposed here is an investment in an early stage company based in Chile that has been working for the past few years in developing advanced botanical and biological materials. Founded in 2013, the company started as a research project to study the applications and use of various by-products from forestry resources. Over years of research and development, the company finally developed up with a commercial application derived from the bark of the tree Quillaja Saponaria, found only in the Central valleys of Chile. In 2018 it launched the first product using the compound material, to the market, namely Botristop, a bio pesticide used for combating the disease known as botrytis. The rapid adoption of the product and its commercial application has led to sales of US\$500,000 in its first year (2019).

Throughout 2018 and 2019, research and development continued into the use of QS-21, as the compound from the tree bark is known, which led to the firm developing an adjuvant to the vaccine industry. After several experimental trials and communications with laboratories across the world, the QS-21 produced by Botanical Solutions has proven to be effective, and, for a current vaccine being developed for COVID-19.

The COVID-19 pandemic as well as issues of unrest in Chile, in late 2019, caused a number of delays from investors who were ready to move forward into the investment cycle of the company. The IDB Lab project will provide critical financing to Botanical Solutions in the form of a bridge loan that will convert into equity, as the new cycle of financing is being developed in the months of July to November of 2020.

The IDB Lab believes the company has the potential to address a global health issue within the next 18 months, and therefore sees this project as an opportunity to support a Chilean company achieve that goal. The impact on the agricultural side is also significant, as it means a natural and biological pesticide will free thousands of hectares from harmful chemical products. The overall impact of this project on the environment, the health of hundreds of thousands of people is what makes the IDB Lab contribution fundamental and at the core of what IDB Lab stands for.