



ANNEX TO PRESS RELEASE

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Three new InnovFin products and an expanded Advisory Mandate

The EIB Group and the European Commission (EC) have again joined forces to introduce three important new instruments under their existing InnovFin framework. Also, the amendment makes changes to the existing advisory mandate. More information about all these elements can be found below.

InnovFin Energy Demo Projects: A highly innovative risk-sharing instrument to finance energy demonstration projects using technologies in the pre-commercial stage of development which are currently not bankable on a stand-alone basis, often due to the high risk during construction and the initial operating stage. Specifically, it will provide loans or loan guarantees¹ to first-of-a-kind commercial-scale demonstration projects in the fields of renewable energy and hydrogen and fuel cells, helping to bridge the gap from demonstration to commercialisation and contributing to the broader objectives of the Energy Union and the Strategic Energy Technology (SET) Plan.

InnovFin Infectious Diseases: A new risk sharing facility to stimulate investment in R&D activities targeting the development of innovative vaccines, drugs, medical and diagnostic devices or novel research infrastructures for infectious diseases. With the facility, the EIB will target project developers in the field of infectious diseases that successfully completed the pre-clinical stage and preferably early stage clinical development and would now require clinical validation or be ready for later stage clinical trials. EU funding will enable the EIB to offer a range of higher risk financial products ranging from standard debt instruments (i.e. senior, subordinated, and mezzanine) to risk sharing instruments with forgiveness options in case of failure of the projects supported. To mitigate the inherent risks of the facility and ensure the most beneficial allocation of funds, target projects would exhibit a proven public health impact and market potential, and commitment of promoters to substantially co-fund the project.

EUR 100m has been allocated to kick-start each of these new facilities. Subject to success, additional budget from Horizon 2020 can be dedicated to expand them.

The InnovFin SME Venture Capital Facility is an early stage window in the Single EU Equity Financial Instrument, focusing on venture capital funds. The EUR 430m early stage allocation will target enterprises located in the 28 Member States and Horizon 2020 Associated Countries.

Via the InnovFin SME Venture Capital Facility, EIF will primarily invest in venture capital funds and other investment vehicles investing or cooperating with business angels. The InnovFin SME Venture Capital Facility will support venture capital funds targeting start-ups, i.e. companies with no commercial turnover at the time of the first investment. EIF may also make investments in multistage funds and will focus on innovative sectors including life sciences, clean energy and high-tech sectors.

Financial intermediaries will be selected based on an open call for expression of interest published on the EIF's website. EIF expects to invest in around 30 financial intermediaries, catalysing a total amount to be invested in companies of between EUR 1.2 and EUR 1.6bn.

¹ In a large number of cases, financing will be provided in the form of non-recourse project finance loans to special purpose vehicles created by the promoters for the scope of up-scaling operations using a new technology which has passed the pilot phase and needs to be tested at commercial level. .

Expanded advisory mandate: the EC and the EIB have signed amendments to the InnovFin Advisory agreements to include a significantly expanded work programme covering some of Europe's most innovative sectors, such as Circular Economy, Bio-economy, Key Enabling Technologies and Strategic Energy Technologies. The focus of these new activities will be to shed light on bottlenecks in access to finance, review the existing financing mechanisms and - where necessary - propose new ones that increase the collaboration between the various actors in the innovation ecosystem. InnovFin Advisory will also, with the support of EARTO, review the current funding arrangements of the Research Technology Organisations and recommend innovative financing mechanisms that reinforce their collaboration with industrial partners. The expanded mandate will also allow for continued advisory support to the InnovFin Energy Demo Projects and Infectious Diseases facilities to improve their take-up and mobilise additional financial resources from public and private investors.

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