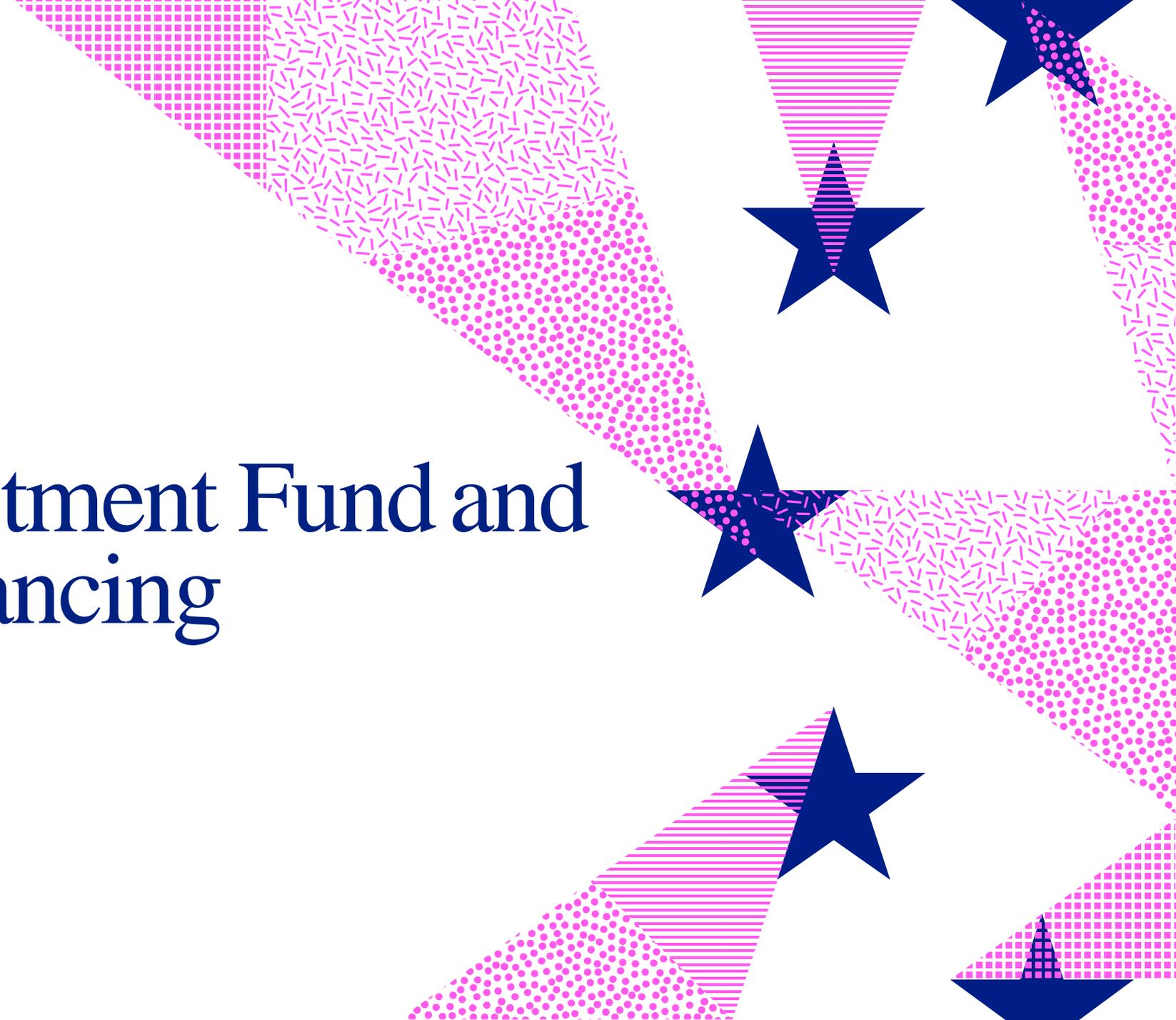


European Investment Fund and Sustainable Financing Opportunities

*We make it easier for SMEs and
mid-caps to access finance*

Peter Coveliers, 20 May 2022



The European Investment Fund

1 | We're
the EIF

2 | Our
thematic
focus

3 | EIFxInvest
EU

4 | RCR

5 | Infrastructure
climate funds

Our role as an EU body

We multiply resources

We design financial instruments that share risk with banks and equity funds and, as a result multiply resources

Increasing the overall supply of finance for small businesses

We target funding gaps

We help our investors support new segments and target specific gaps at European, national and local level

Increasing financing options especially where markets don't work well

We nurture ecosystems

We partner with established and new providers of equity and debt financing, often taking a cornerstone position when required

Increasing the number of local partners lending to and investing in small businesses

Our unique status, policy & return objectives

Own resources



Public-private partnership



AAA credit rating***



Policy & return objective



*Total authorised capital (20% paid-in), equal to 7,370 shares with a nominal share value of EUR 1m each.

**As of October 2021, on the basis of 7,298 shares subscribed out of the overall authorised capital; Financial Institutions from European Union Member States, the United Kingdom and Turkey (F. I.)

***AAA-rated by three major rating agencies. EIF has a preferred creditor status. ("Multilateral Development Bank") allowing a 0% risk weighting to assets guaranteed by EIF.

European Investment Fund

We design financial instruments that share risks with our partners multiplying public resources and increasing the supply of finance

1.6m
small businesses
financed

Our resources

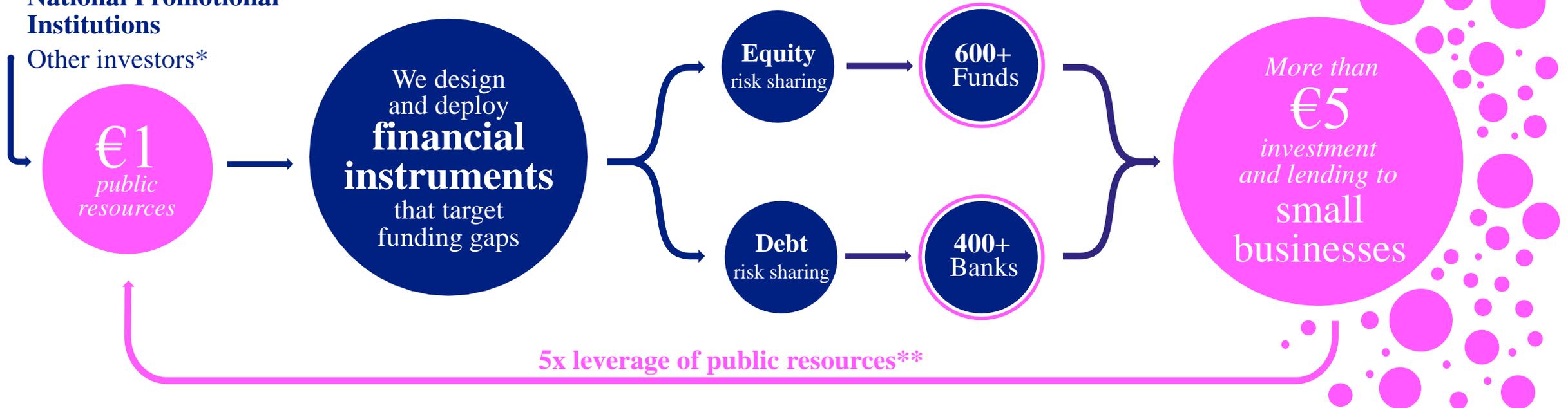
Our approach

Our partners

Small businesses

- European Commission
- European Investment Bank
- Local authorities & National Promotional Institutions

Other investors*



*Includes EIF's own resources and other external resources including private investors.

**On aggregate based on 2020 transactions. Depending on the instrument and the transaction, the leverage achieved can range from 4x to 40x.

Source: EIF Annual Report 2020.

Our thematic focus

In our continued commitment to supporting SMEs and smaller businesses across Europe and beyond, we are aligned with InvestEU and the Paris Agreement and are moving towards a more impact driven institution.

1	2	3	4
<p>Competitiveness, growth and cohesion</p> <p>Supporting SME growth & expansion as well as internationalisation.</p> <p>Helping to build the financial ecosystem further.</p>	<p>Innovation</p> <p>Across crucial sectors such as life sciences and health.</p> <p>Harnessing disruptive technologies and fostering digital transformation.</p>	<p>Social impact, skills and human capital</p> <p>Promoting social inclusion, diversity & wellbeing.</p> <p>Nurturing impact & focussing on skills & education as well as cultural & creative sectors.</p>	<p>Sustainability and green transformation</p> <p>Stimulating sustainable industries, products and services as well as energy efficiency and renewable energy endeavours.</p>

Pioneering climate policy and investments

The EIB Group has been at the forefront of climate finance efforts in Europe

Advice and implementation of climate and environment policies

Contribution to the design of the EU Taxonomy, while adopting elements of the regulation to our investment activities

We are a **core partner in implementing the InvestEU programme**

EIF is a signatory to the *United Nations Principles of Responsible Investments* (**PRI**) for its equity investments activity

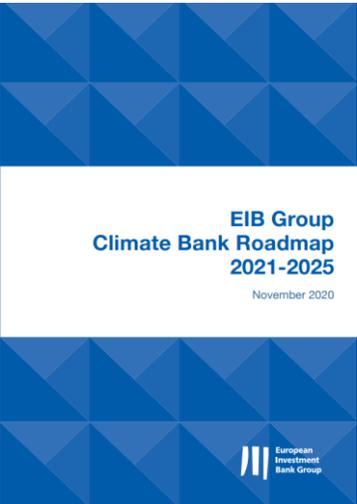
EIB Group Climate Bank Roadmap

All EIB Group financing follow the EIB Group **Paris alignment framework** and are orientated towards low-carbon and climate-resilient development

EIB Group is dedicated to support **EUR 1 trillion of financing by 2030** in support of climate action and environmental sustainability

EIF's portfolio of **climate and infrastructure fund** investments **has a 70% target** on climate action and environmental sustainability

The EIB Group Climate Bank Roadmap is available [here](#)



EIB Group
Climate Bank Roadmap
2021-2025
November 2020

European
Investment
Bank Group

New Environmental and Social Sustainability Framework



EIF Group **Environmental and Social Policy**

Defining the environment, climate and social commitments across the whole EIB Group.



EIF **Environmental and Social Standards**

Revised version of the EIB Standards.
New Standard on Intermediated Finance (Standard 11).
Only applicable to the EIF Climate and Infrastructure Funds.



EIF **ESG Principles**

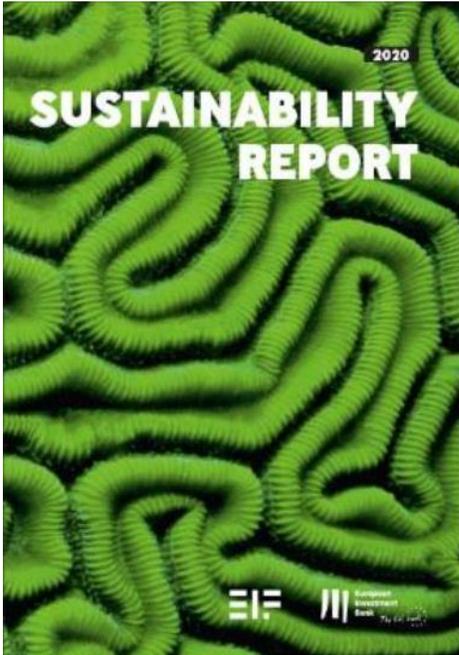
Basic principles for the assessment of ESG risks and opportunities in EIF's mandates, products and transactions.
Reflecting the EIB Standard 11, taking into consideration EIF product specificities
New elements: EIF PPGs, ESG due diligence, Paris Alignment, Climate Risk.

Read publications here:

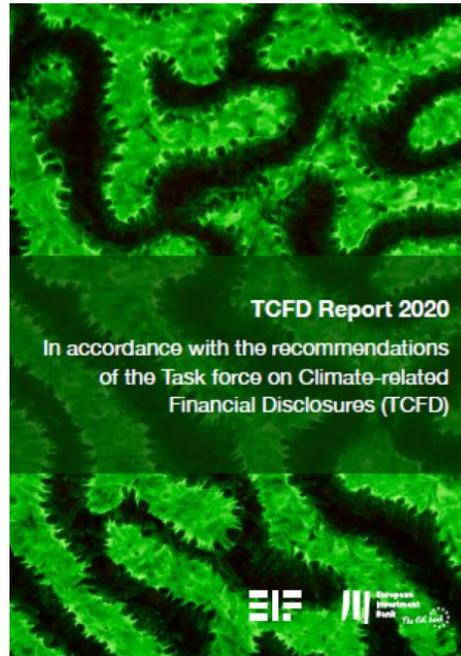
[EIF Environmental and Social Standards](#) [The EIB group Environmental and Social Policy](#) [EIF Environmental, Social and Corporate Governance \(ESG\) Principles](#)

External Climate Risk Reporting

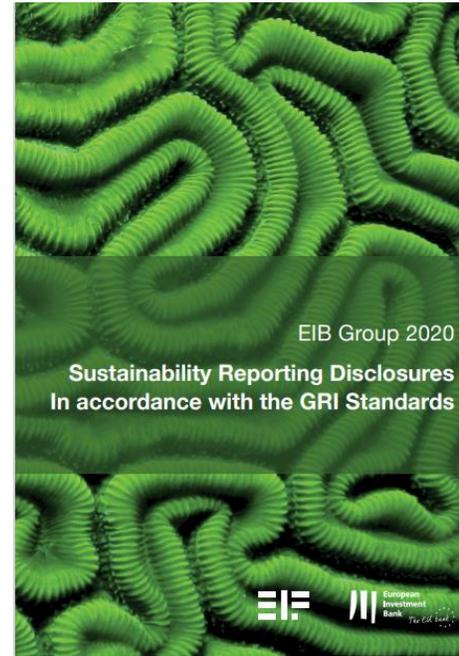
Sustainability report



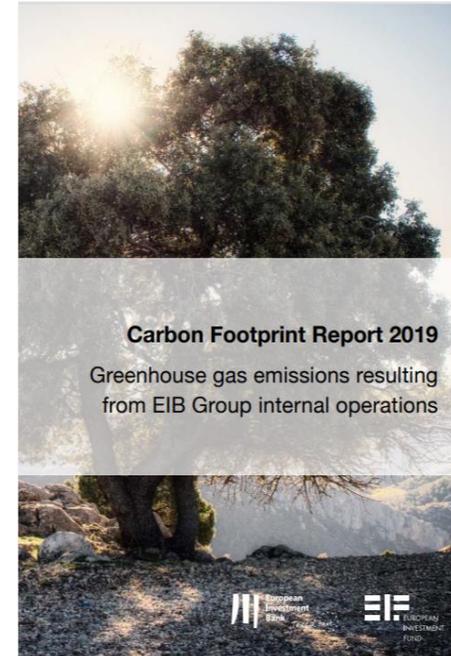
TCFD² report



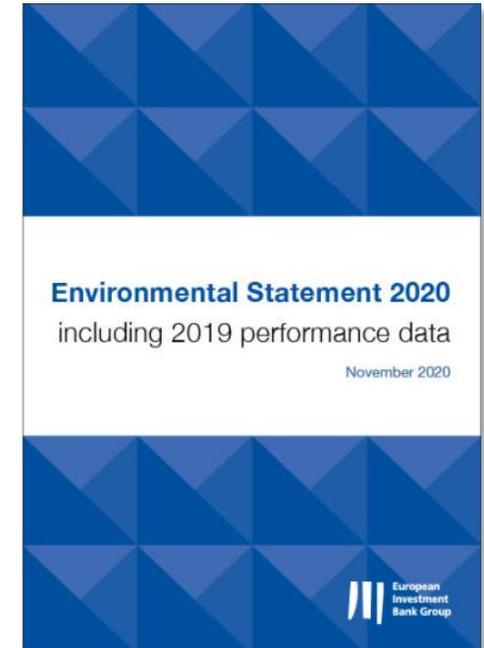
GRI¹ disclosures



Carbon Footprint report



Environmental Statement



Provides an overview of the EIBG's operations and impact as they relate to our objective to support smart, sustainable and inclusive growth in a challenging European and global context.

Annex of the Sustainability Report.

Disclosure of climate related risks and opportunities, including Governance, Strategy, Risk and Metrics & Targets.

Annex of the Sustainability Report.

Disclosure of any relevant information on Economic, Environmental and Social aspects according to the GRI Standards.

Annex of the Sustainability Report.

Disclosure of the environmental impact of EIBG internal operations (greenhouse gas emissions).

Annex of the Sustainability Report.

Disclosure of EIBG internal environmental performance and activities, in accordance with EMAS³.

[EIB Group Sustainability Report 2020](#)

[TCFD Report 2020](#)

[European Investment Bank Group 2020 Sustainability Reporting Disclosures \(eib.org\)](#)

[EIB Group Carbon Footprint Report 2020](#)

[EIB Group Environmental Statement 2020](#)

¹ Global Reporting Initiative

² Task Force on Climate related Financial Disclosures

³ Eco-Management and Audit Scheme

EIF x InvestEU

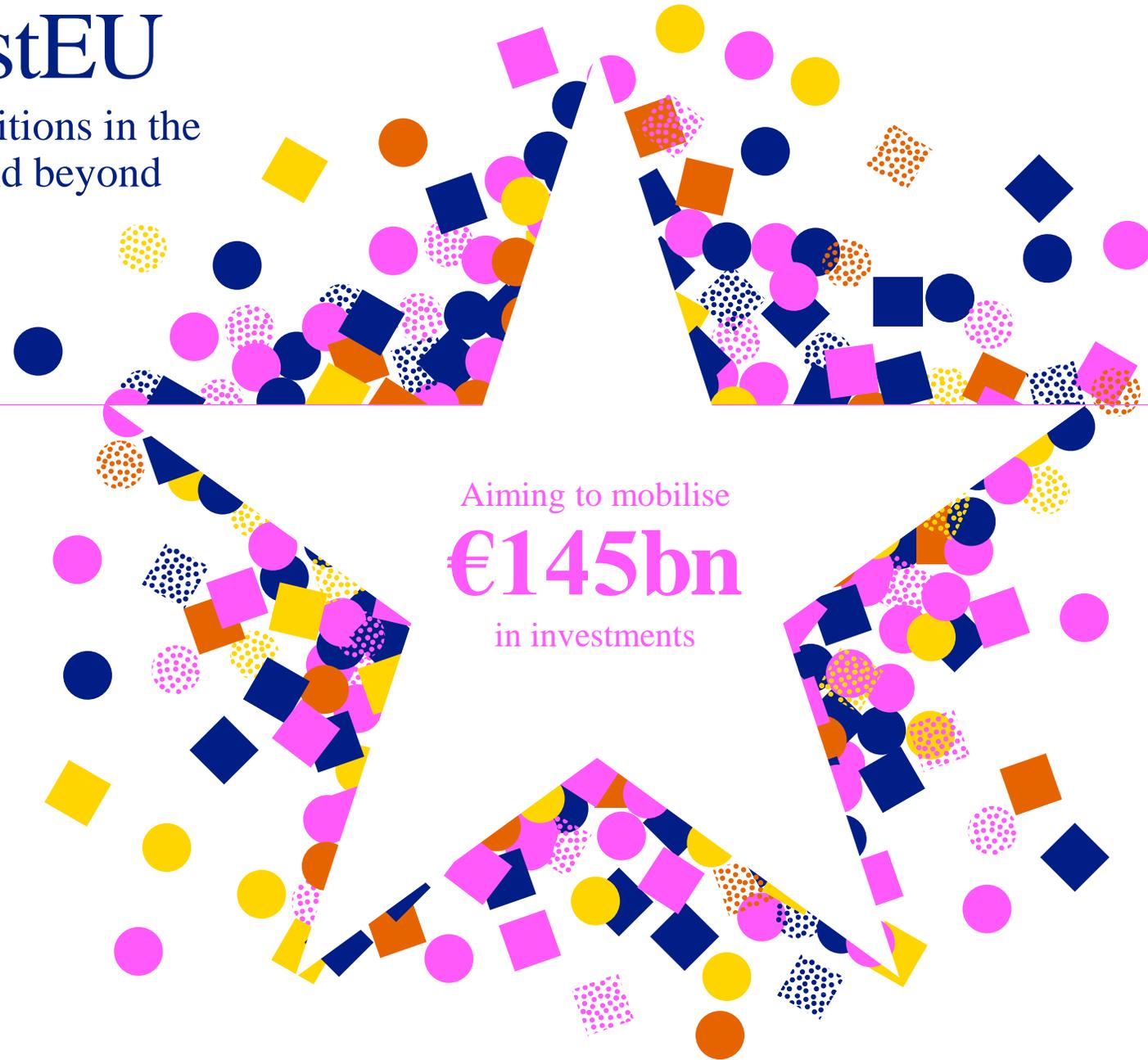
Achieve InvestEU ambitions in the area of SME finance and beyond



€11bn

InvestEU Fund
deployed by the EIF

*attracting private
investments through
guarantee and equity
risk sharing instruments*



Aiming to mobilise
€145bn
in investments

New finance for:

SMEs

*Small mid-caps
& mid-caps*

*Infrastructure
projects*

Individuals

Guarantee products

Over €10bn across six guarantee solutions to incentivise debt financing to private individuals, micro, small and midcap businesses



Financing for

Enterprises which are perceived as **high risk** (or lacking collateral) to **improve the competitiveness of European enterprises**

Innovation and digitalization-driven enterprises to help drive Europe's economic growth and global competitiveness

Enterprises to **support a thriving, agile and profitable European creative and cultural space**, & one which is adaptable to change

Green enterprises as well as **green investments** which contribute to the **green and sustainable transformation** of Europe

Microenterprises, social enterprises– to contribute to a **caring and inclusive European social ecosystem**

Students and learners as well as enterprises providing training & organisations active in the sector in order to develop a nascent market for education finance

Sustainability guarantee key terms

Type of Instrument	Guarantee cap rate	Guarantee fee	Guarantee rate
<p>Capped Portfolio Guarantee</p> <ul style="list-style-type: none"> SMEs and Small Mid-Caps Natural persons – zero and low emission mobility 	Up to 25%	0.2% p.a.	<p>Up to 70% When financing SMEs or Small Mid Caps</p> <p>Up to 80% When financing Natural Persons or Housing Associations</p> <p>Or</p> <p>For Just Transition or Cohesion Regions</p>
<p>Uncapped Portfolio Guarantee</p> <ul style="list-style-type: none"> SMEs and Small Mid-Caps Natural persons & housing associations – RE & EE 	N/A	0.75% p.a. 1.2% p.a.	

Target final recipients	Maximum Guarantee transaction amount	Transaction maturity
 	<p>€7.5m Private Financial Intermediaries</p>	<p>Minimum 12 months</p> <p>Maximum N/A*</p>
 	<p>€2m Where financial (sub) intermediary is NPBI (as a direct lender)</p>	

* No maximum maturity - provided that the coverage of the Final Recipient Transactions shall not extend beyond Individual (Counter-) Guarantee Termination Date.

Equity products

Over €6bn for specific target areas to deepen and develop the market and attract private investment

Capital Markets Union

Enabling sectors

Climate & environmental solutions

Digital & CCS

Social Impact

Financing for

Promote the European capital market, provide diversification of sources of financing & strengthen solvency of enterprises

Support crucial sectors which can sustain the EU as a independent and autonomous economy

Boost support for R&D, upscaling & commercialisation of solutions that contribute to the EU Green Deal

Strengthen the EU's competitiveness, digital independence and strategic autonomy

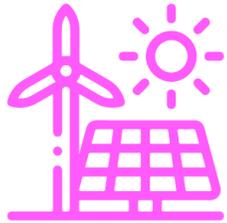
Further develop a conducive environment for risk capital investment in social impact

Climate & Environmental Solutions



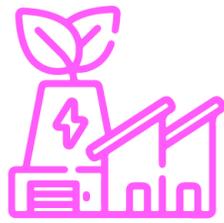
Mobility & Transport

Activities accelerating the shift to sustainable, resilient and smart mobility and all modes of transport, both for people and goods, with an emphasis on zero or low carbon emissions



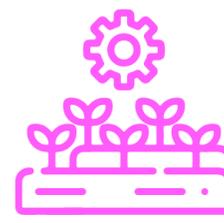
Energy & built environment

Activities leading to decarbonisation of the energy generation, storage, transmission, distribution and consumption as well as decarbonising the built environment.



Industrial decarbonisation & environmental sustainability

Comprise low carbon technologies and processes, and low carbon products substituting existing carbon-intensive alternatives, as well as enabling technologies and services in fuel combustion & more



Agriculture, food, natural capital preservation and use of land resources

Activities leading to a transition to a sustainable, healthy, climate-neutral and inclusive food system as well as in the development of bio-based sectors across the economy.



Blue Economy

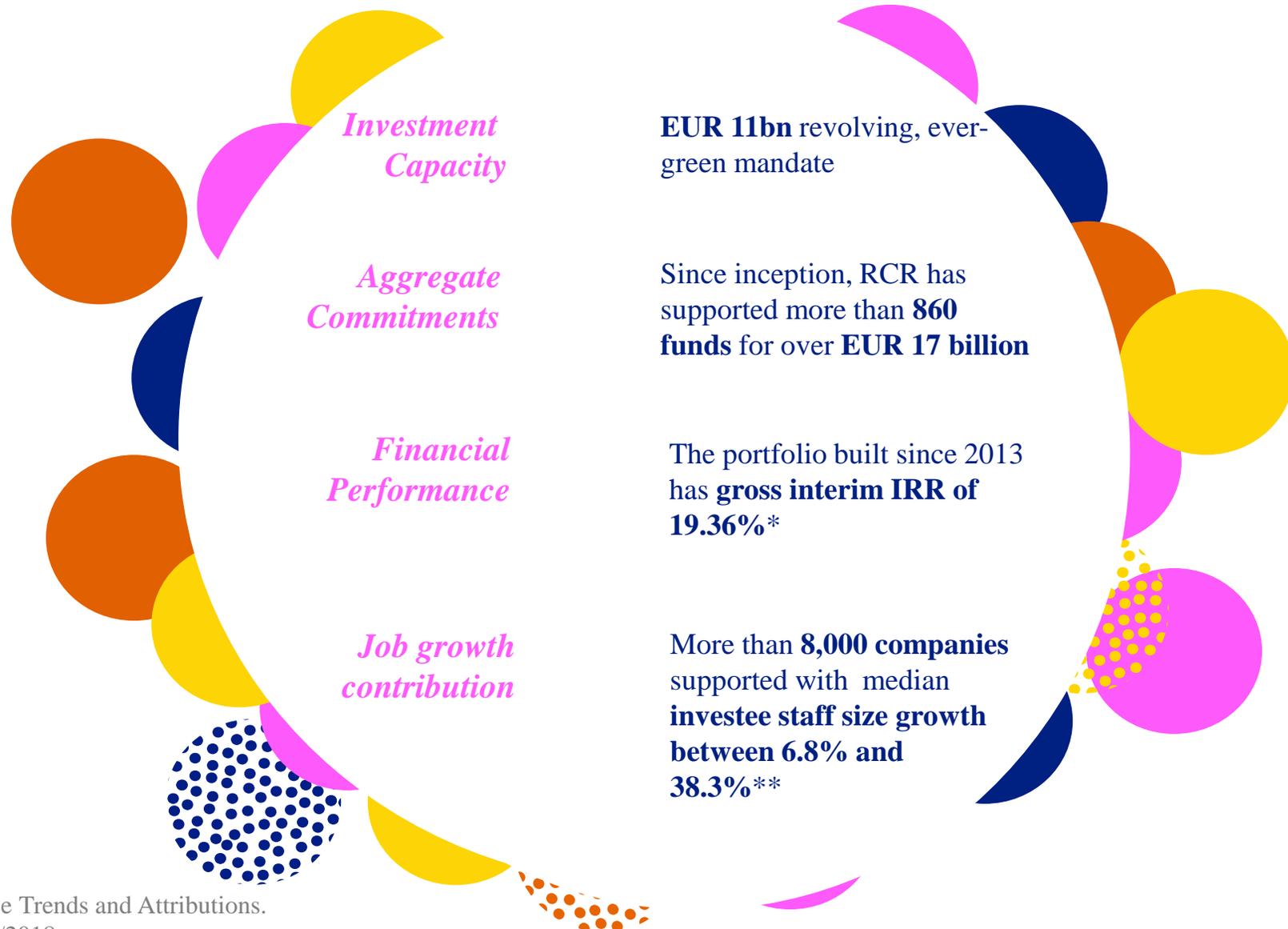
Sustainable economic activities that take place in the marine environment or that use sea resources (other than oil and gas) as an input, as well as economic activities outside the marine environment that are involved in the production of goods or the provision of services that will contribute to those activities.



Other adaptation solutions

Other areas enhancing directly or indirectly the adaptive capacity, strengthening resilience and reducing vulnerability of key systems affected by climate change (health, food security, natural environment, water, infrastructure and others) and developing innovative solutions for monitoring services.

Risk Capital Resource (RCR) from EIB



* As per Q3 2021 Performance Trends and Attributions.

** Sample-based survey 31/12/2018

RCR Policy Objectives



*Delivery of the EIF's
Public Policy Goals*

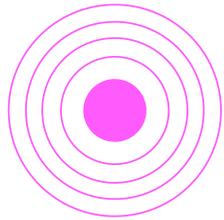
*Delivery of the
Group's
Climate Action
&
Environmental
Sustainability
targets*

*Development of
risk capital markets*

*Diffusion of best
market practice
with respect
to tax transparency
and AML*

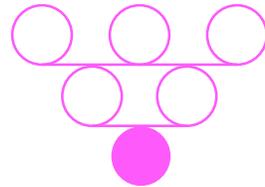
*Commercialisation
of research results
and transfer
of IP to the market*

Investment focus of infrastructure climate funds on key policy priorities



Target sectors

- Renewable Energy generation and enabling infrastructure
- Energy Efficiency
- Sustainable Transport
- Digital Connectivity
- Social Infrastructure
- Urban Development
- Circular Economy and Natural Resources



Asset creation

We invest in funds that have a hands-on approach and deploy the majority of their investments in Capital Expenditure, such as:

- Greenfield investments
- Renovation/refurbishment/retrofit
- Growth of platforms

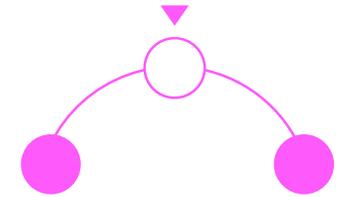
EIF does not invest in buy-out / M&A strategies



Climate focus

- Focus on Climate Action and Environmental Sustainability
- Alignment with EIB Group Climate Roadmap and EIB Group ESG standards
- All investments to be fully Paris-aligned
- Alignment with EU Taxonomy

EIF does not invest in funds that provide financing to fossil-fuel based assets

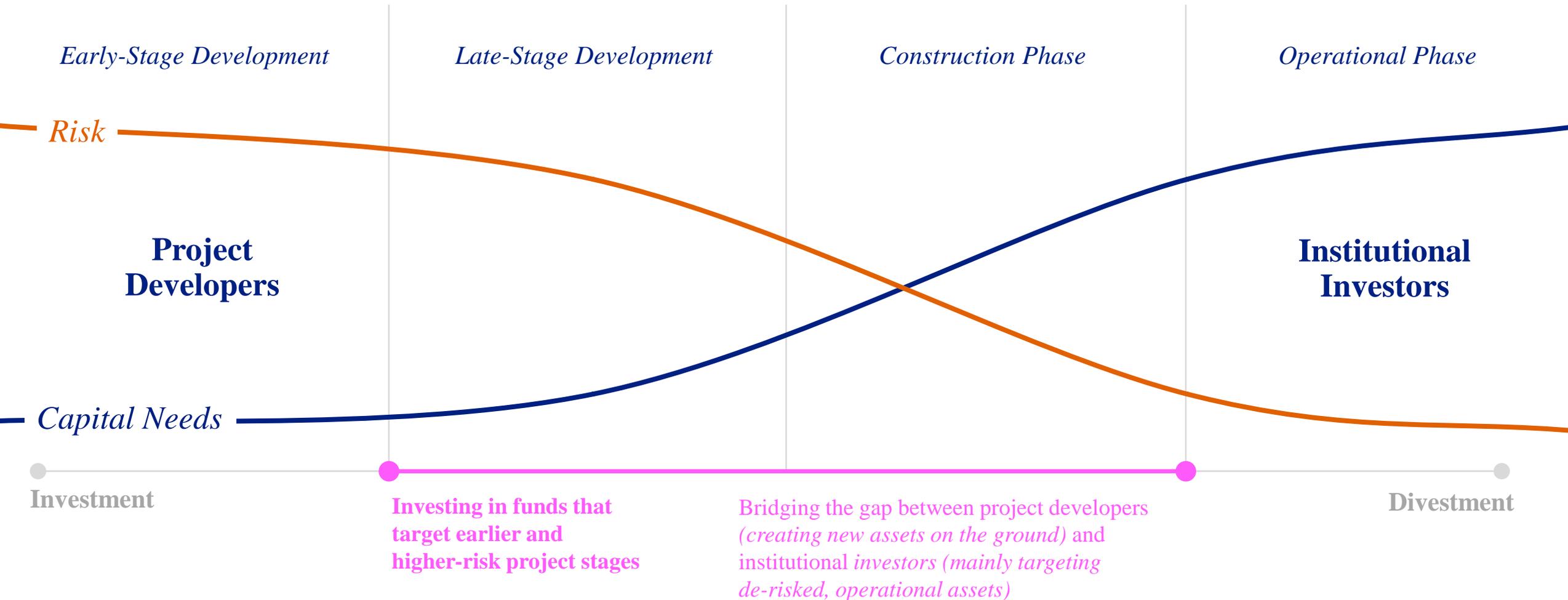


Additionality

We focus on areas with recognized market gaps, such as:

- Early project phases: development, construction and ramp-up risks
- Underserved geographies within the EU
- Nascent technologies
- New financing models
- New fund managers / management teams

Focus on early project phases means supporting asset creation on the ground



Our solutions finance Europe's most successful innovators

● Exited

- kyriba**
- Revolut**
- ivalua**
- sumup**
- Klarna**
- iZettle**

Fintech

- northvolt**
- GRAPHCORE**
- UiPath**
- talend**

Deep tech

- nēxthink**
- dataiku**
- collibra**
- Tricentis**
- pipedrive**
- CSR**

Software

-
- skype**

Telcom

- omio**
-
- TIER**
-
-
-
- Bolt**
-
-
-

Travel tech & mobility

-
-
-
- Kahoot!**
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-
-

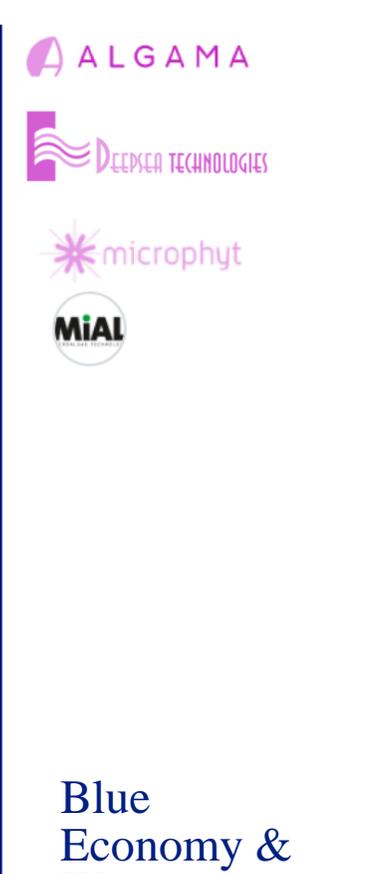
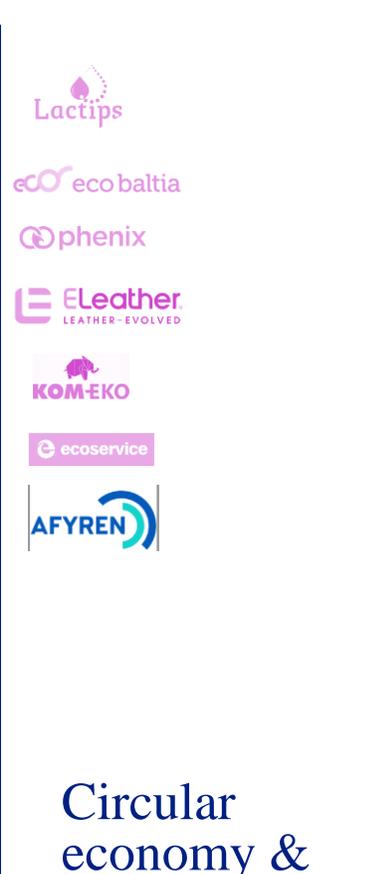
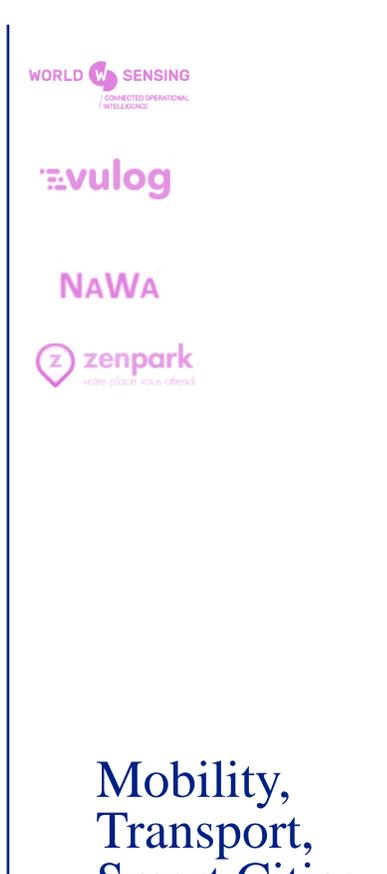
Digital entertainment

- Glovo?**
-
-
- Wolt**
-
- letgo**
- MATCHES FASHION.COM**
- YOOX**
- FARFETCH**
-
-
- Avito**

E-commerce & Marketplace

Source: Dealroom. A selection of European unicorns backed by the EIF. Excludes life sciences.

EIF green technology champions

					
<p>Energy</p>	<p>Blue Economy & Water</p>	<p>AgriFoodTech</p>	<p>Industrial Biotech & Green Chemistry</p>	<p>Circular economy & Waste</p>	<p>Mobility, Transport, Smart Cities</p>

Follow our stories and work on social media



Peter Coveliers,
Head of Strategy and Business
Development

To find out more please visit us
at: www.eif.org

European
Investment Fund
37B avenue J.F. Kennedy

L-2968 Luxembourg
Phone: +352 24851

Annex

Our shareholders

We have a diverse public and private shareholder base

European Investment Bank (EIB)

59.4%

European Union, represented by the European Commission (EC)

30%

38 Financial Institutions from European Union Member States, the United Kingdom and Turkey (F. I.)

10.6%

Austria



Bulgaria



Croatia



Czech Republic



Denmark



France



Germany



Greece



Hungary



Ireland



Italy



Luxembourg



Malta



the Netherlands



Poland



Portugal



Slovenia



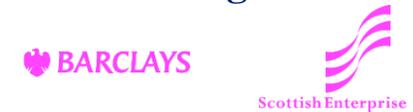
Spain



Turkey



United Kingdom



*As of October 2021, on the basis of 7,298 shares subscribed out of the overall authorised capital.

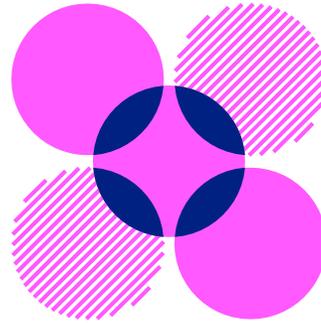
Our mandate deployment process

A proven and efficient approach, powered by specialist teams



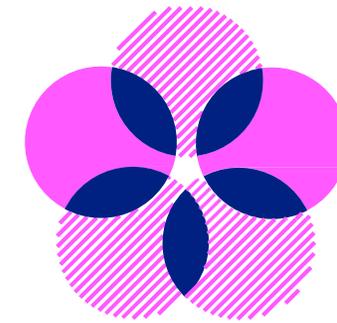
We **notify** the market through transparent online mechanisms

Banks and funds apply based on their risk sharing needs



We **assess and select** financial intermediaries based on best fit with the mandate requirements

Rigorous due diligence of all relevant applications



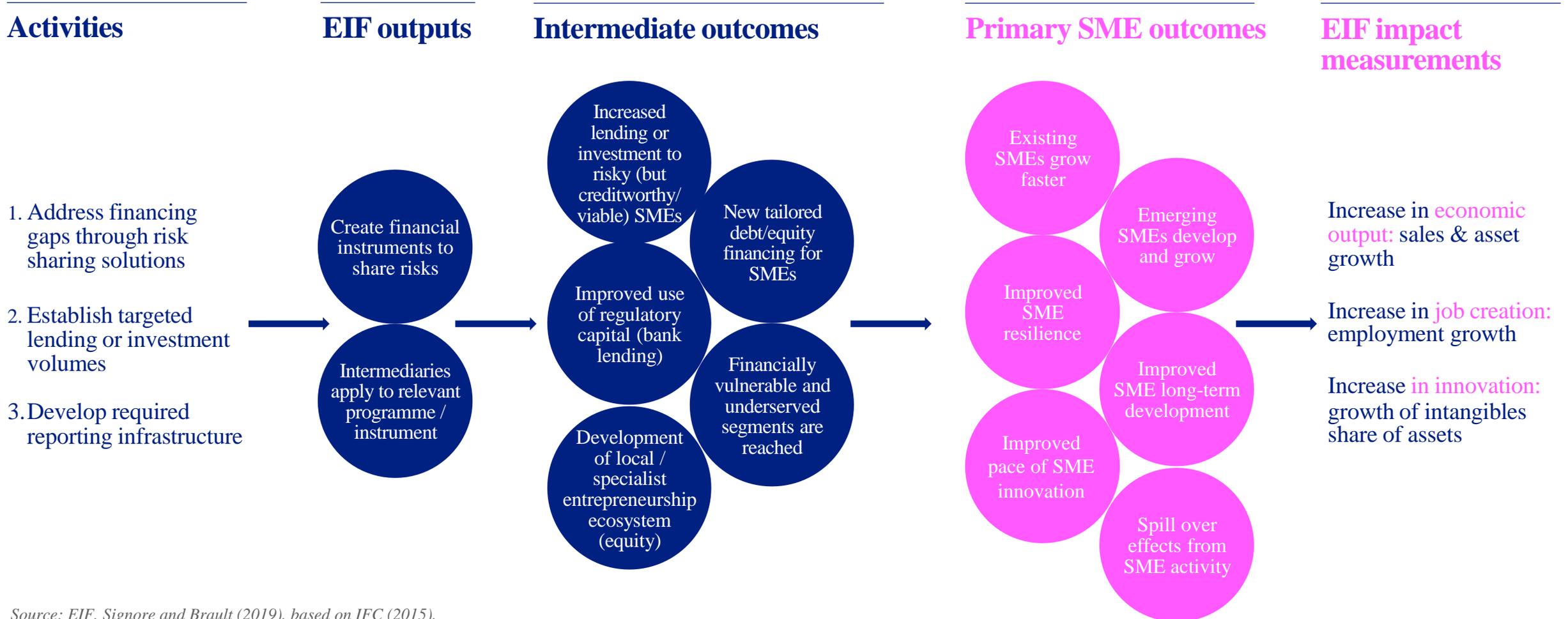
Monitor & audit mandate deployment, tracking and reporting progress and adapting if necessary

Timely monitoring of loan disbursement and investments in small businesses

This activity is supported by independent risk and compliance reviews, an investment risk committee and legal negotiations

Our approach to impact measurement

We use the theory of change to structure our impact assessment



Source: EIF, Signore and Brault (2019), based on IFC (2015).