



Supporting Innovation in Moldova

Chişinău, 13th July 2016

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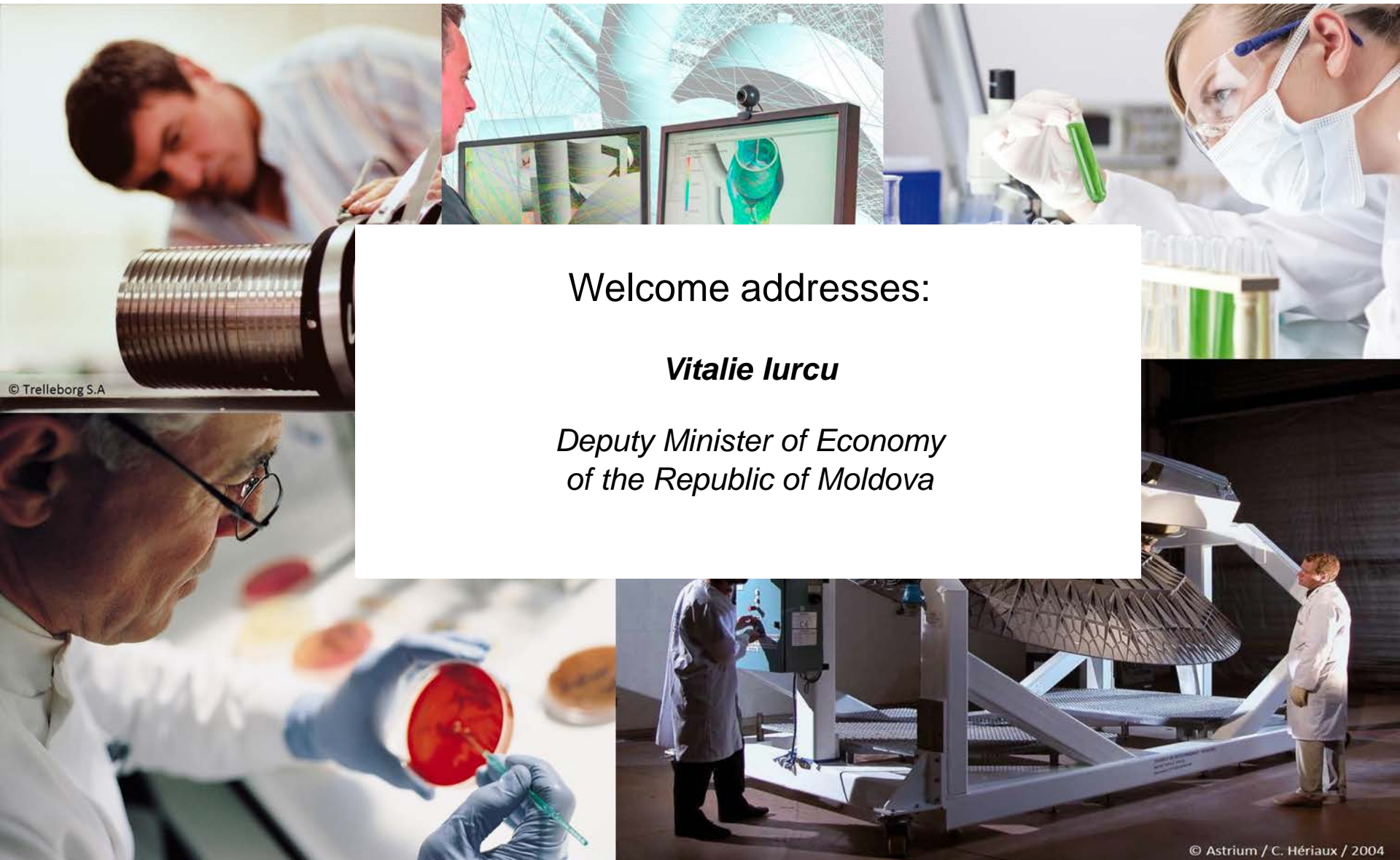
Welcome addresses:

László Baranyay

*Vice-President,
European Investment Bank (EIB)*

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Welcome addresses:

Vitalie Iurcu

*Deputy Minister of Economy
of the Republic of Moldova*

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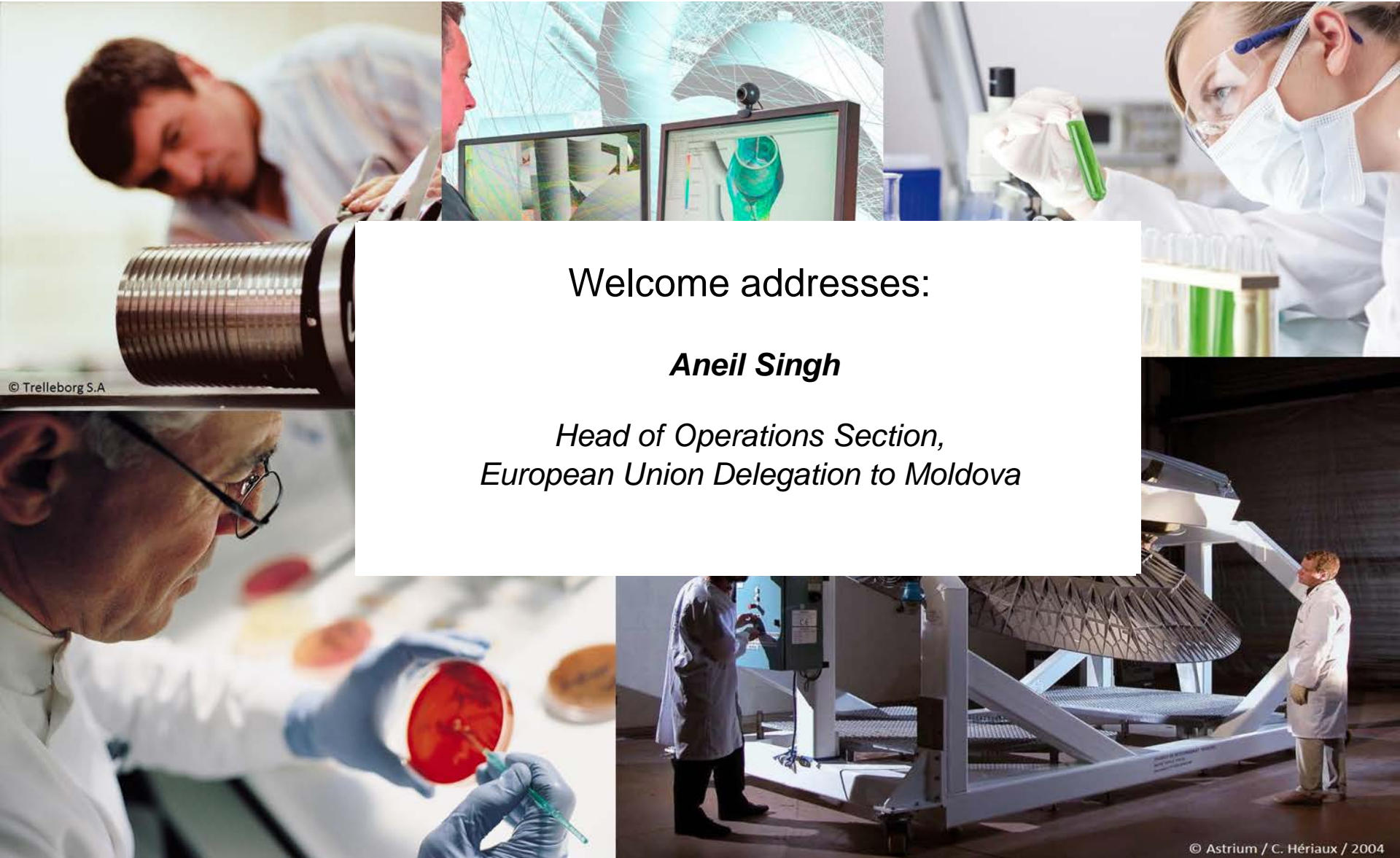
Welcome addresses:

Ion Tighineanu

*Academician, First Vice-President,
Academy of Sciences of Moldova*

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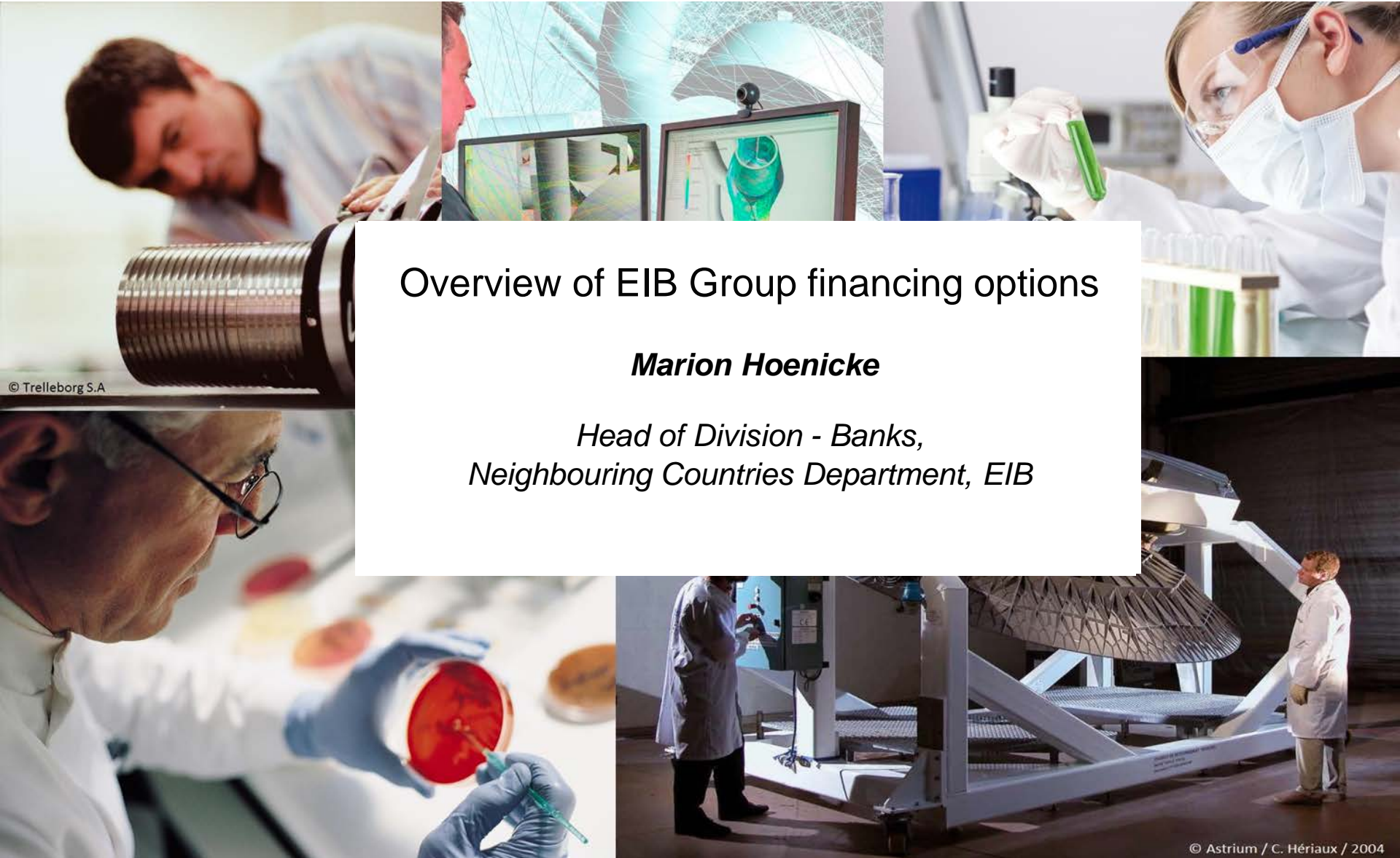
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Welcome addresses:

Aneil Singh

*Head of Operations Section,
European Union Delegation to Moldova*

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Overview of EIB Group financing options

Marion Hoenicke

*Head of Division - Banks,
Neighbouring Countries Department, EIB*

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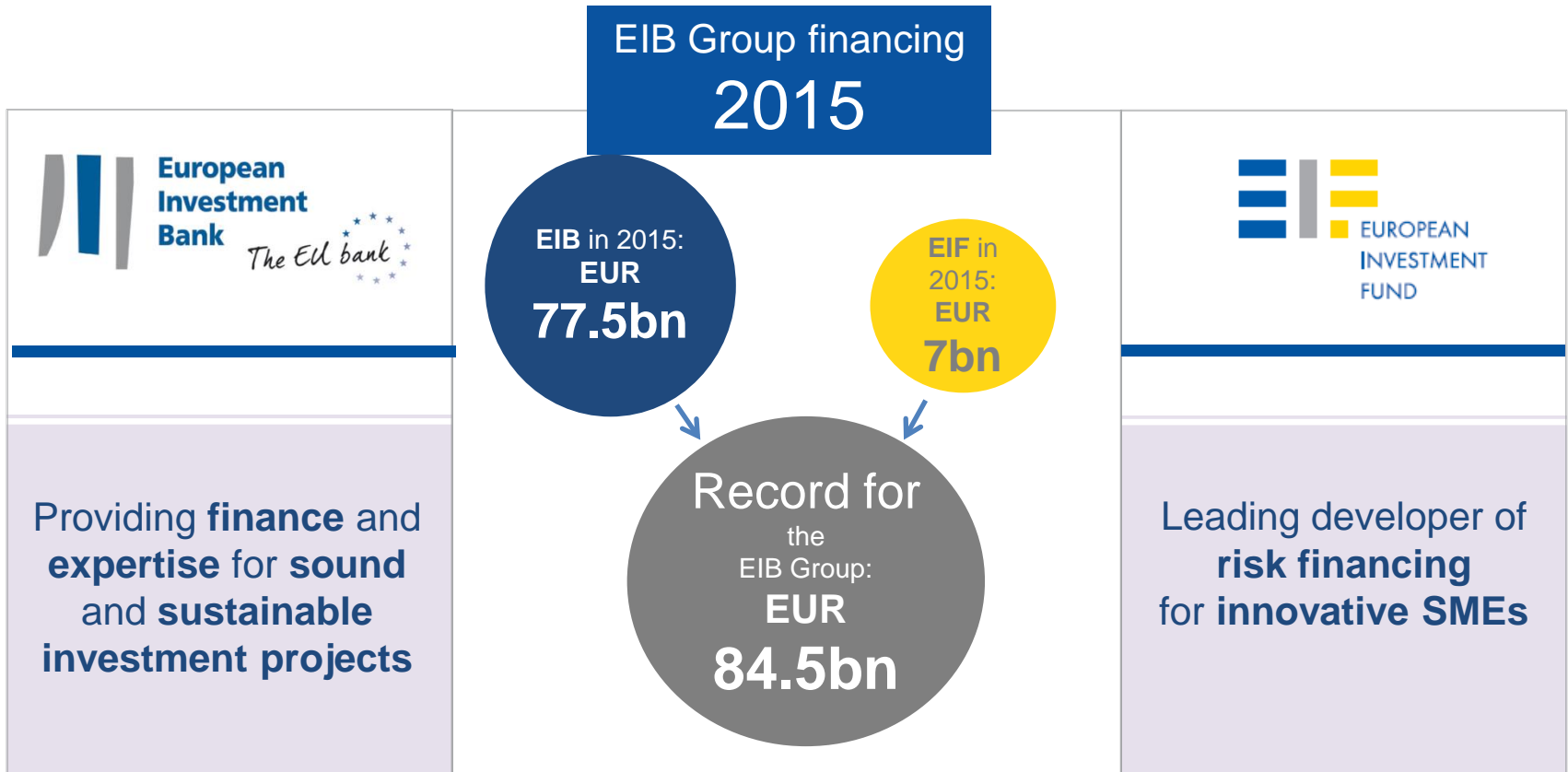
The EU bank



- Represents the interest of the EU;
- Owned by the 28 Members States of the EU;

**Working to implement EU policies,
inside and outside the EU**

The EIB Group



EIB at a Glance

We are the world's largest International Financial Institution



1958

Established to support long-term investments primarily in the European Union.

We have over **50 years' experience** in financing sustainable projects.

Shareholders

Owned by the **Member States** of the European Union.

Source of funds

We raise long-term funds on the international **capital markets** and as a non-profit organisation we pass **favourable borrowing conditions** to our clients.

AAA-rated

We're triple-A rated by all major rating agencies and have a sizeable callable capital of **€21bn.**

EIB's Locations

Our Luxembourg Headquarters are home to some **2,900 staff**



Specialists

Among our staff we have bankers, engineers, sector economists, socio-environmental experts and lawyers.

Local offices

We have over 30 representative offices worldwide.

EIB lending breakdown in 2015

We focus on our **key priorities**:



ENVIRONMENT

EUR 19.6bn



INFRASTRUCTURE

EUR 18.9bn



INNOVATION

EUR 18.7bn



SME

EUR 29.2bn

EIB products

We help catalyse investment:

LENDING	BLENDING	ADVISING
<p>Loans at favourable conditions</p> <p><i>and also:</i></p> <p>Guarantees Equity participation</p>	<p>Higher risk projects for innovation (InnovFin)</p> <p>Combining EIB finance with EU budget</p>	<p>Prepare, evaluate and support the implementation of projects</p> <p>Support for public/private partnerships</p>
<p>Attracting FUNDING for long-term growth</p>		

What is the European Investment Fund?

- **Part of the EIB Group**
- **EIF is an institution that provides risk financing to stimulate entrepreneurship and innovation**

Shareholders

61.2% EIB

26.5% European
Commission

12.3% by 30 public and
private financial
institutions

Strong capital base

of EUR 4.5bn

AAA-rated

by the three major
rating agencies

Over 20 years

of market experience
in SME financing

EIF in a nutshell

HOW

EIF offers a wide range of **targeted products to support SMEs and small midcaps**, ranging from venture capital to guarantees and microfinance.

WHERE

EIF works with financial intermediaries across the European Union and other countries, including **Non EU countries eligible under Horizon 2020 (InnovFin)**.

Overall commitments

EUR 7 bn (2015) in equity, guarantees, securitisation and microfinance

Mobilised resources

EUR 26.9bn (2015)

SMEs supported

Over 1.8 million since 1994

110,000 in 2015

Partners

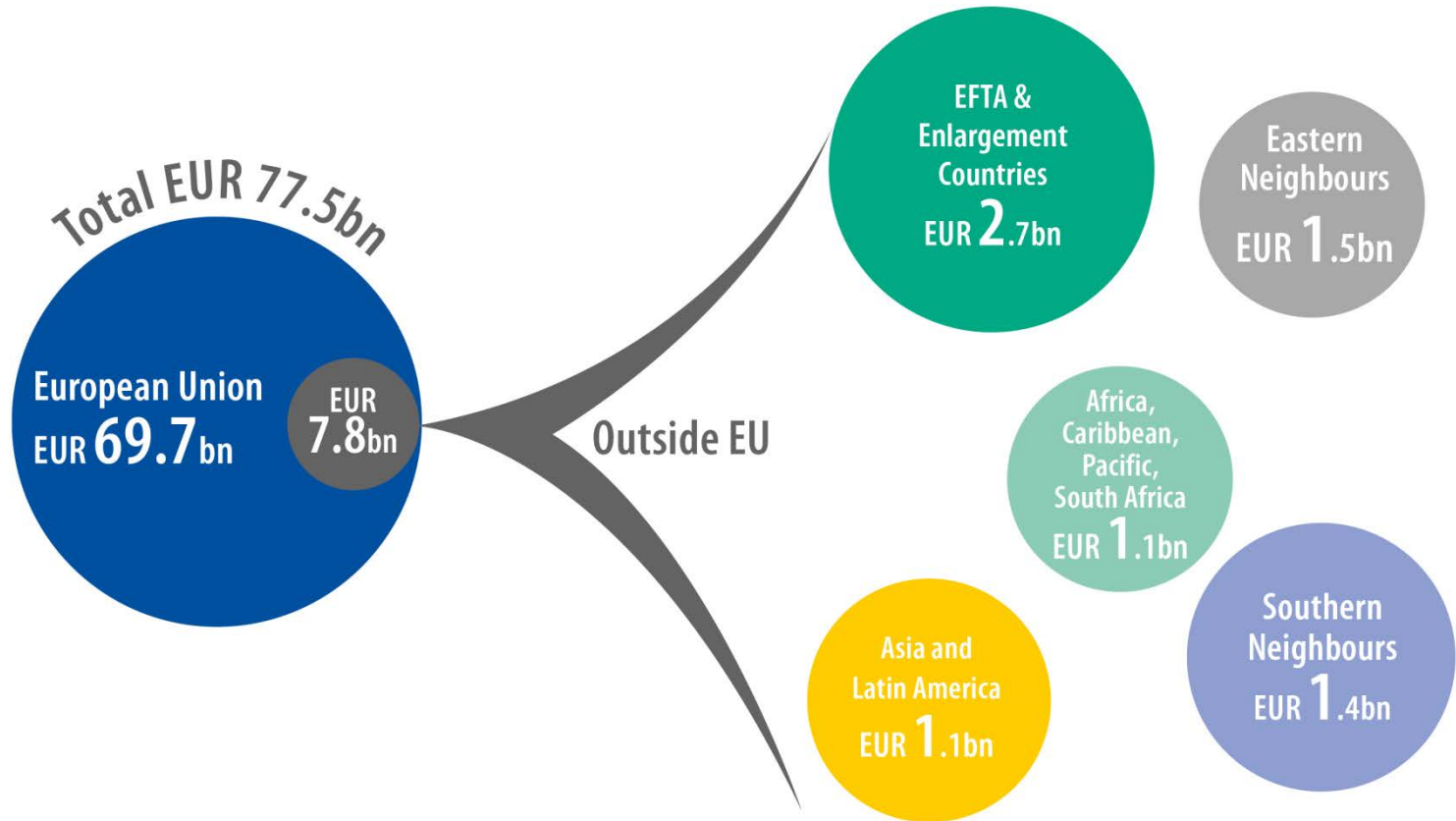
600 private equity funds

400 banks, guarantee and promotional institutions

EIB outside the EU

90% of the lending is carried out within the EU...

...and as much as EUR 8bn is lent outside the EU each year.



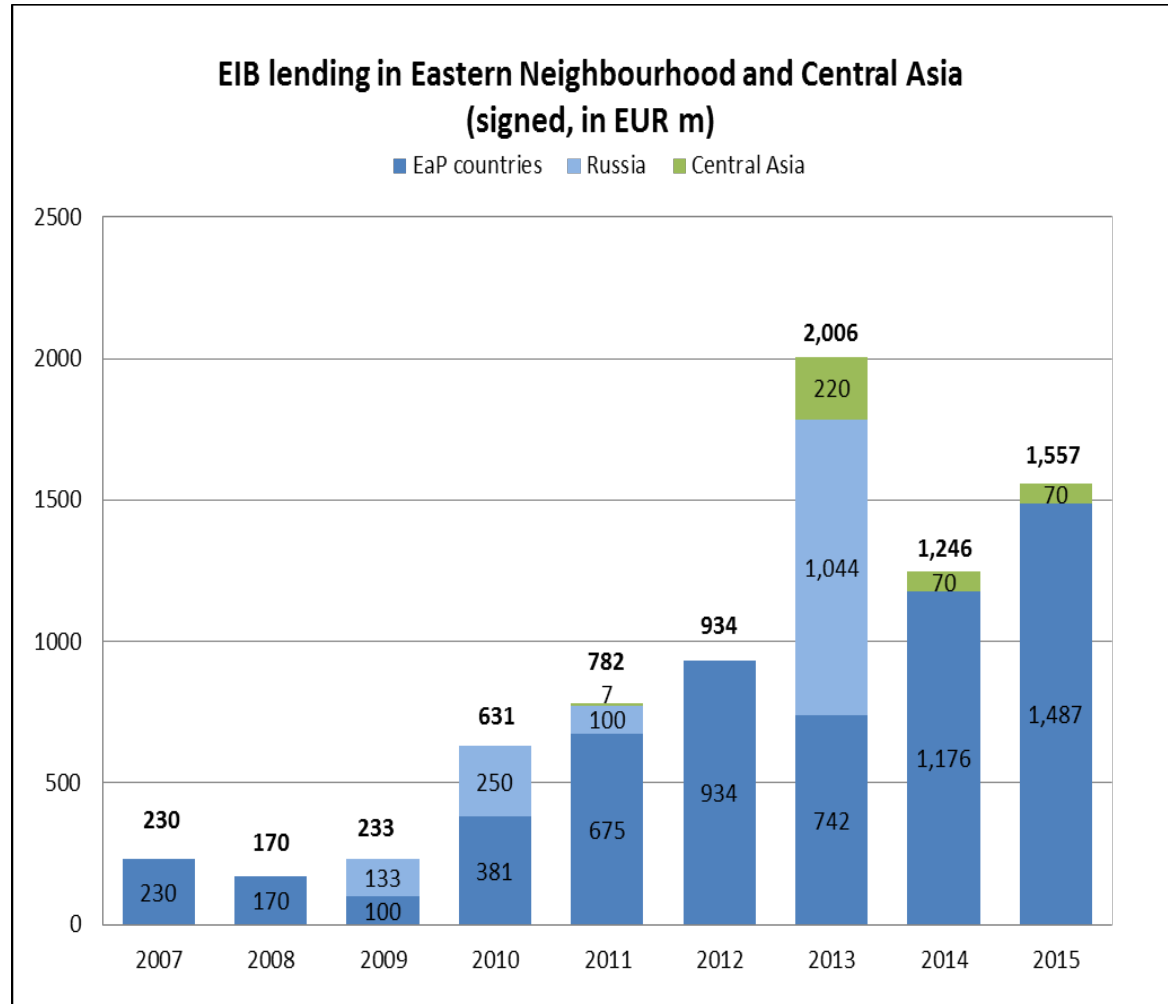
EIB in the EU Neighbourhood

The EIB operates under the European Union's External Lending Mandate, whose objectives are:

- ❖ Development of the local private sector;
- ❖ Development of social and economic infrastructure;
- ❖ Climate action projects.

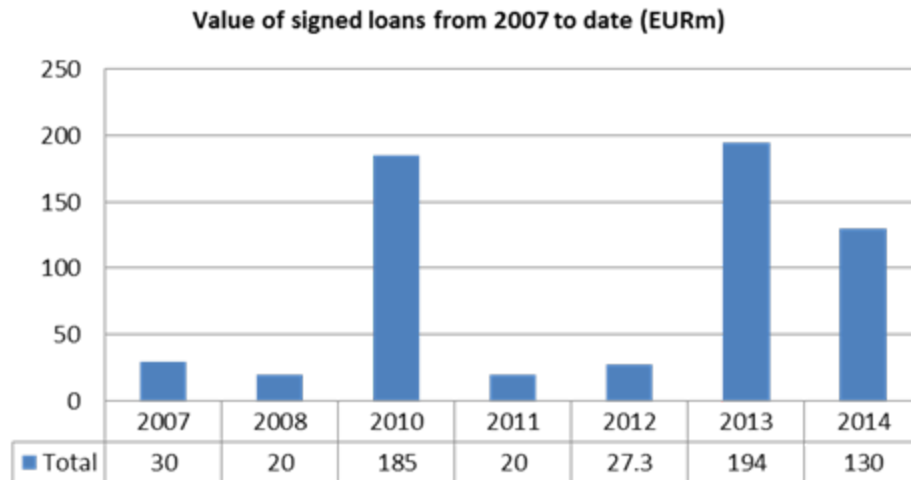
EIB in the Eastern Neighbourhood

The 2014-2020 External Lending Mandate makes available some EUR 4.8 bn for the Eastern Neighbourhood region.



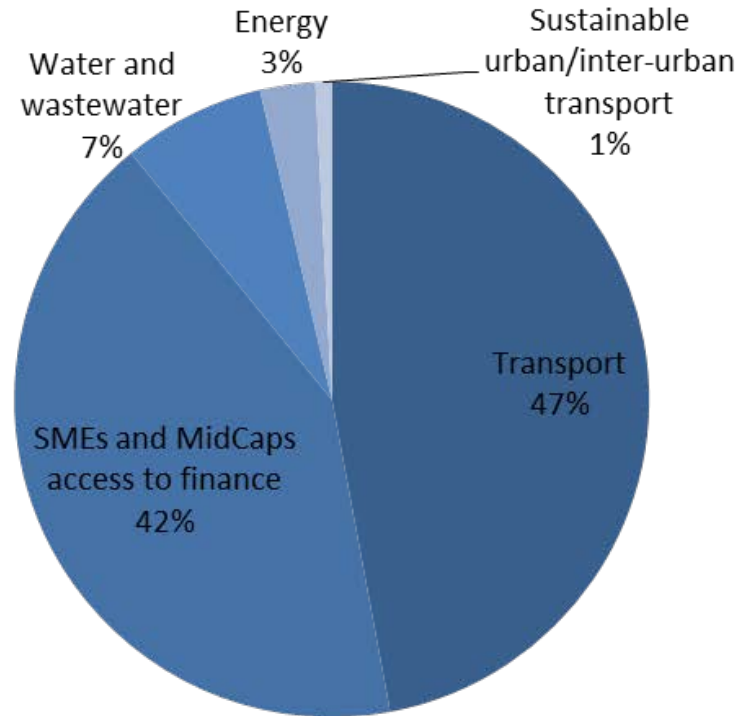
EIB in Moldova

- In Moldova since 2007
- Loans totaling EUR 606m
- The Bank has financed 15 projects in Moldova in the transport, water, energy sectors, and support to SMEs
- Signed amounts:



Sectors supported

Loans signed from 2007 to date (breakdown per main sector %)



EIB in Moldova

Lending priorities in Moldova:

- **Private sector development**
 - ❖ Support to SMEs in selected Value Chains – wine, horticulture
 - ❖ Enhanced support to larger corporate clients through direct lending;
- **Social and economic infrastructures**
 - ❖ Transport: Railway project to support the acquisition of diesel locomotives and to finance the rehabilitation of selected sections of railway infrastructure
 - ❖ Energy: Development of energy interconnections with Romania
 - ❖ Ungheni-Chisinau Gas Pipeline
 - ❖ Moldova Romania Electricity Interconnection
 - ❖ Environment: Implementation of national strategies in the Waste management and Flood protection sectors
 - ❖ Moldova Solid Waste Framework Loan
 - ❖ Moldova Flood Protection
- **Climate change mitigation and adaptation**
 - ❖ *Chisinau Energy Efficiency* for the rehabilitation of municipal buildings of Chisinau

EIB in Moldova

- **Currently available** financing/instruments:
 - ❖ Intermediated loans to SMEs, Midcaps
 - ❖ Public sector loans
 - ❖ Direct loans to Midcaps & Corporates
 - ❖ Project finance
 - ❖ Technical assistance for project preparation and implementation

Objectives and Opportunities of the InnovFin Programme

Ignacio Puente-Gonzalez

Policy Officer, DG Research & Innovation, European Commission

Teodor Radonov

SME Guarantee portfolio, European Investment Fund (EIF)

Marc D'hooge

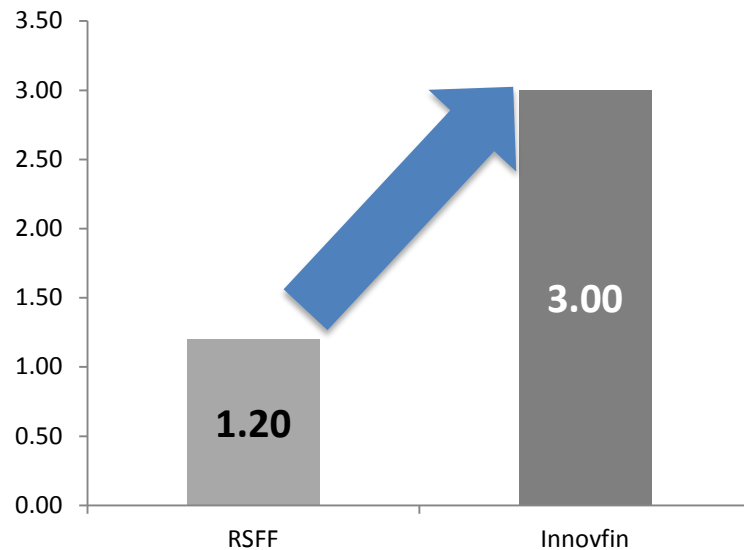
InnovFin Programme Manager, EIB

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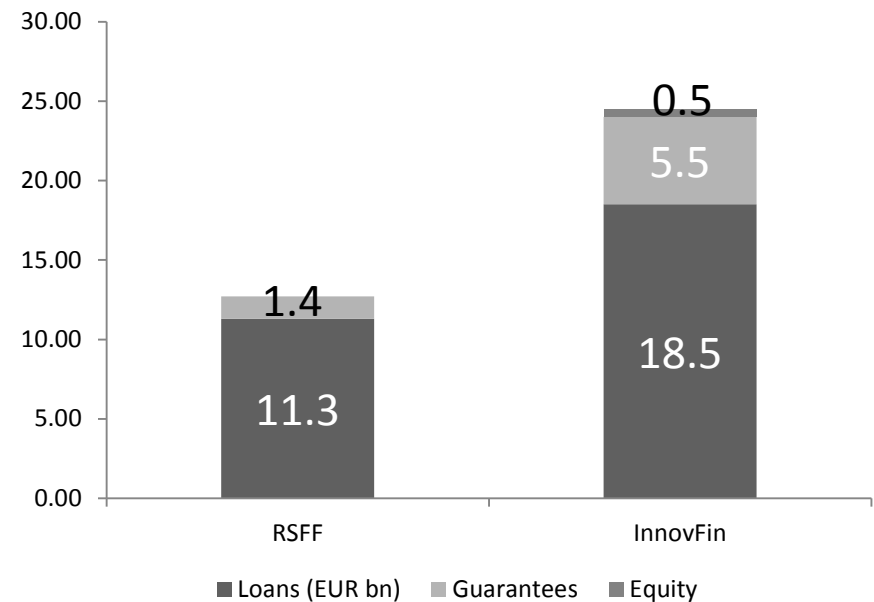
InnovFin: A Quantum Leap

InnovFin builds on the success of RSFF but will be much larger and broader

EU and EIB Group Contributions



Loans, Guarantees and Equity



InnovFin Product Overview



SMEs	Midcaps	Large Caps	Thematic Finance	Advisory
InnovFin SME Guarantee	InnovFin MidCap Guarantee	InnovFin Large Projects	InnovFin Energy Demo Projects	InnovFin Advisory
InnovFin SME Venture Capital	InnovFin MidCap Growth Finance		InnovFin Infectious Diseases	
SMEs and small Mid-Caps < 500 Employees	Mid-Caps < 3,000 Employees	Large Caps Typically > 3,000 Employees	SPV, Mid-Caps and Large Caps	Public and Private Sector Promoters
Intermediated SME/Mid-Cap Financing	Intermediated and/or direct Corporate lending	Direct Corporate Lending	Project Finance and/or Direct Corporate Lending	Financial Advisory

direct products

indirect products

InnovFin Product Overview



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direct products

indirect products

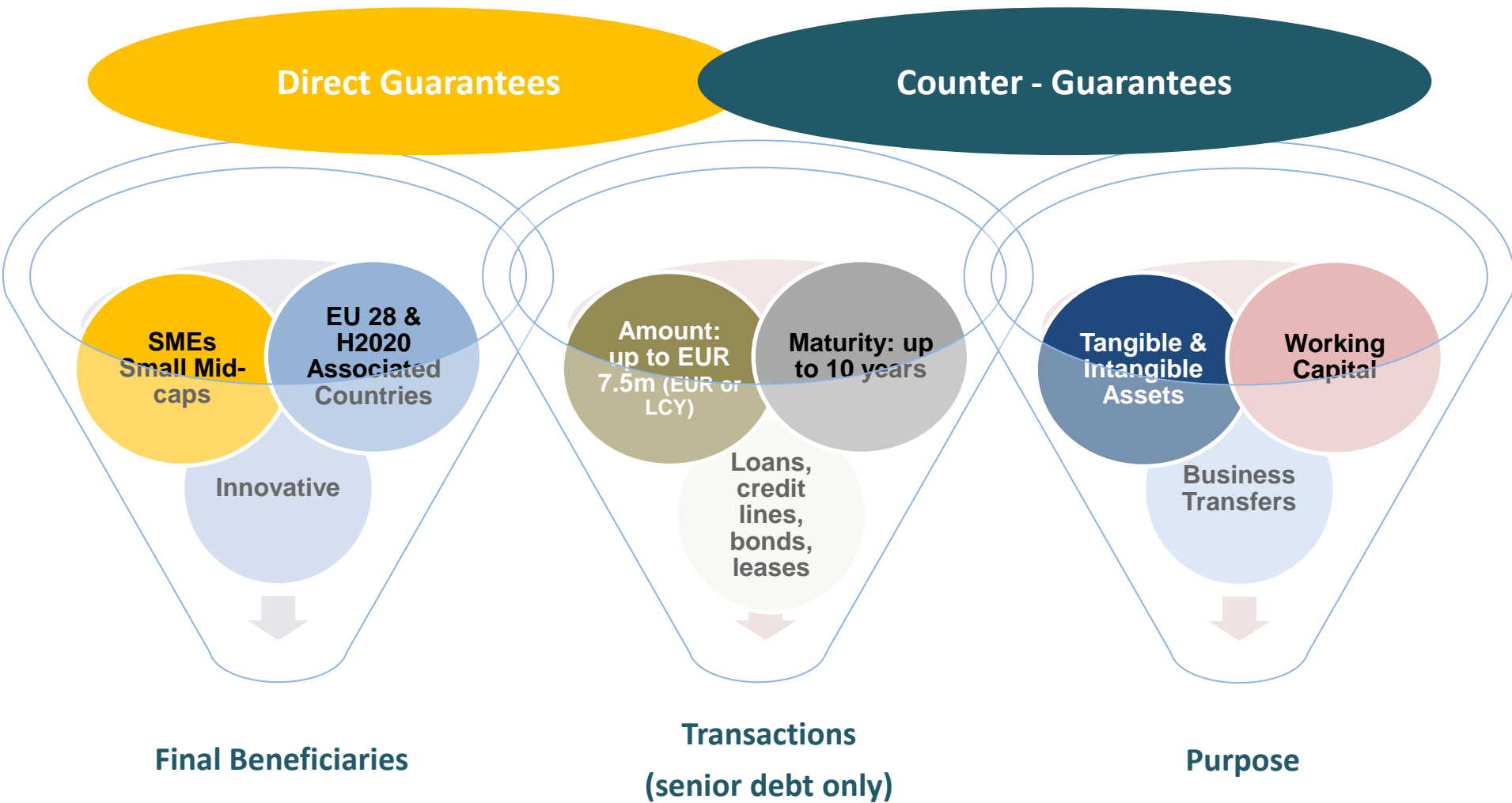
InnovFin SME Guarantee



This guarantee instrument covers the risk related to losses of a portfolio

Up to 50% loss coverage (Principal + Interest 90D)	Full Delegation to Financial Intermediaries	Automatic Coverage/Inclusion 2-3 yr period
Attractive Guarantee Terms	Favourable Capital Treatment	Guarantee and Counter-Guarantee

Key Guarantee Terms

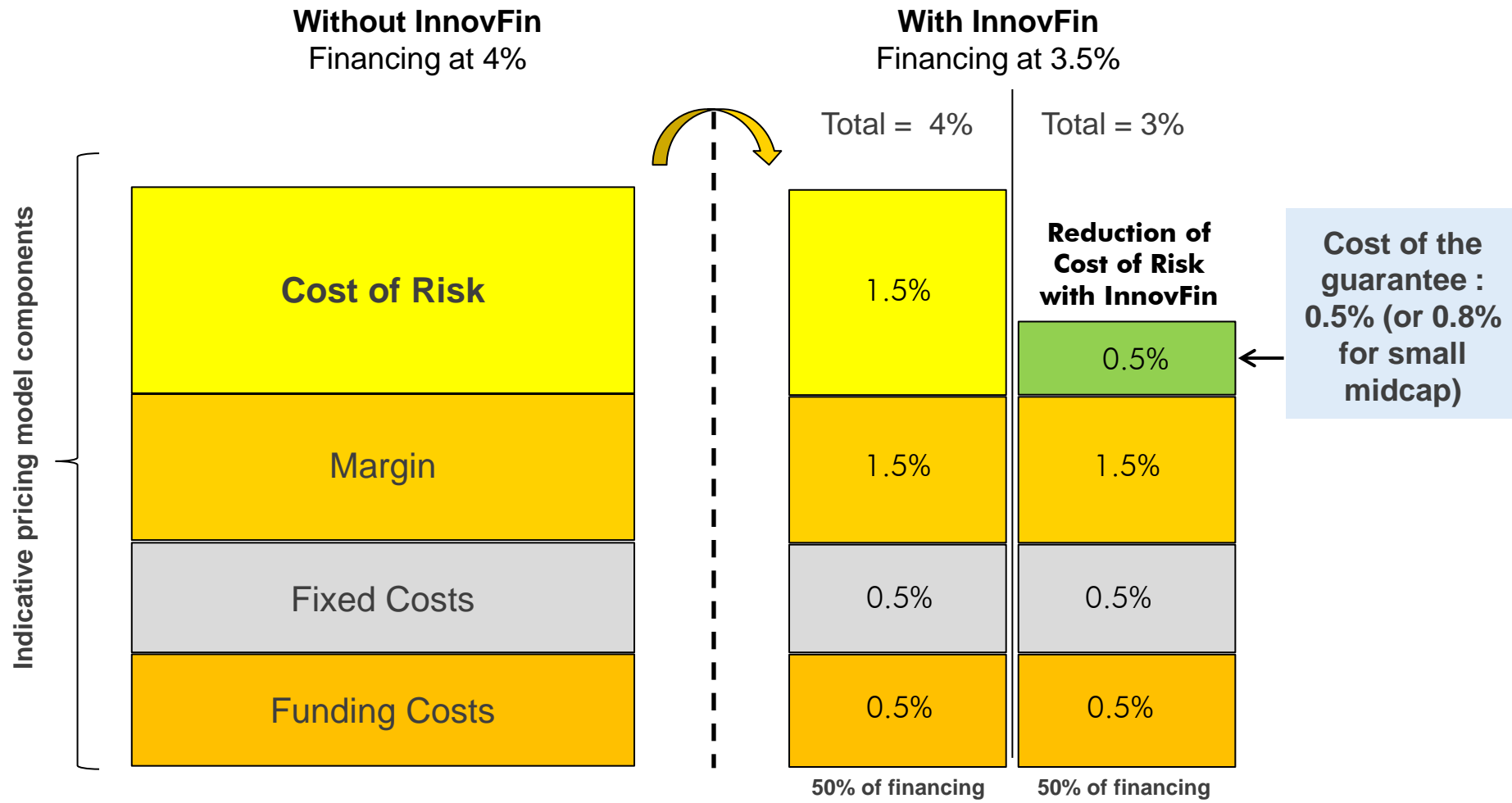


Guarantee Fee



- Financial Intermediaries are required to transfer the Financial Benefit to SMEs & Small Mid-caps

Transfer of Benefit (indicative example)



InnovFin SME Venture Capital – key features

TT, VC and BA Funds and
co-investment Funds
focusing on companies in
Early Stage

Focus on Horizon 2020
objectives
(e.g. ICT, life sciences,
clean energy, technology)

Enterprises in pre-seed,
seed, start up phases (seed
& A rounds included)

Pari-passu, at least 30%*
investment from private
investors

Investment size
up to EUR 30m
up to 50%** of total
commitments (CATALYTIC)

First 4 transactions signed
as of February 2016.
Open Call for Expression
of Interest until
30/09/2020

* 10% in the case of BA Co-investment Funds

** Up to 70% in the case of BA Co-investment Funds, subject to conditions.

InnovFin SME Venture Capital – EIF’s assessment

Investment readiness

Team and Track Record (WHO)

- Adequate skill-set
- Track-record
- Cohesion /stability/succession
- Carry split
- Team commitment
- Governance structure: independence/ conflict of interests
- Reputation (referencing)

Market Opportunity (WHY)

- Deal flow/pipeline
- Competition

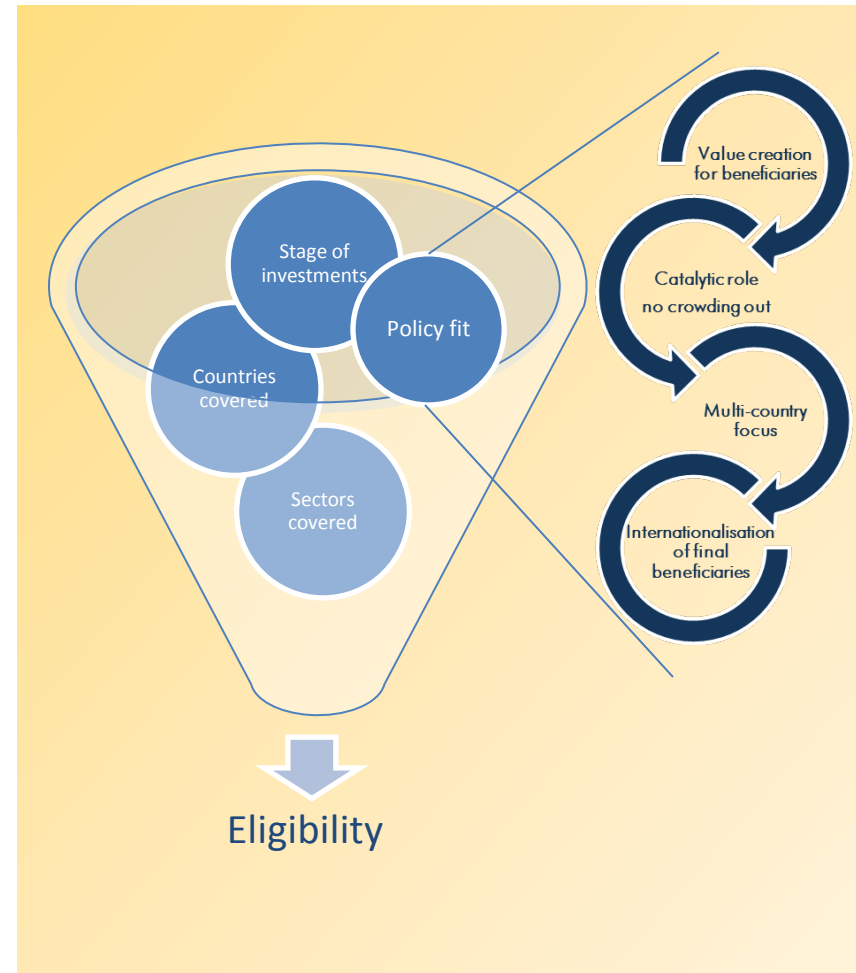
Investment Strategy (HOW)

- Focus, deal flow and pipeline
- Value creation / Unique Selling Point
- Coherence with the market opportunity, the team and the fund parameters

Fund Parameters (WHAT)

- Fund model: fund size / diversification / reserve policy / investment pace
- Terms and Conditions
- Management company budget
- Legal structure / compliance

Fit with the mandate



InnovFin Product Overview

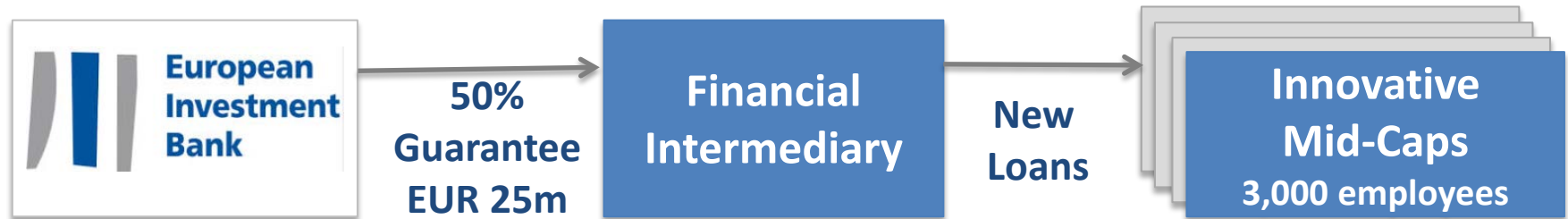


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direct products

indirect products

How does the MidCap Guarantee work?



- 50% loss coverage for new mid-cap loans of up to EUR 50m not covered under InnovFin SME Guarantee
- Can be complemented with EIB funding (global loan)
- Pari-passu sharing of risk and pricing
- Full delegation to financial intermediaries
- Favourable capital treatment

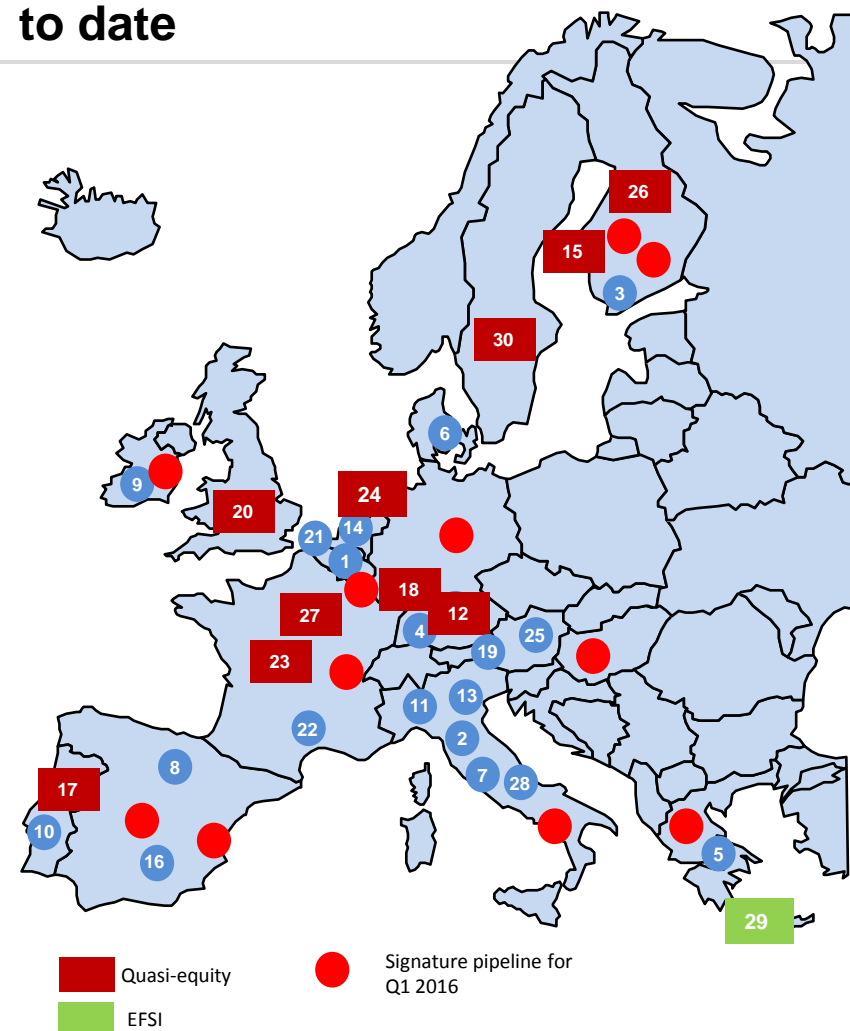


How does MidCap Growth Finance work?



- Direct long term debt and mezzanine finance: EUR 7.5m – EUR 25m
- Loans can be structured as economic equity (silent participation)
- For innovative Mid-Caps and SMEs (eligible counterparty concept)
- EIB can finance up to 50% of all investments over 3 years
- Streamlined EIB approval process

MGF signed transactions to date



<p>1 EVS</p> <p>EVS (2013) EUR 12m Senior term loan</p>	<p>9 enet</p> <p>E-Net (2014) EUR 12m Subordinated loan</p>	<p>17 biosurfit</p> <p>Biosurfit (2015) EUR 12m Quasi-Equity</p>	<p>25 MAM</p> <p>MAM (2016) EUR 25m Senior term loan</p>
<p>2 MARPOSS</p> <p>MarpoSS (2013) EUR 25m Senior term loan</p>	<p>10 NOVABASE</p> <p>Novabase (2014) EUR 14m Senior term loan</p>	<p>18 Jennewein</p> <p>Jennewein (2015) EUR 10m Quasi-Equity</p>	<p>26 NEWICON</p> <p>NEWICON (2016) EUR 8m Quasi-Equity</p>
<p>3 ROVIO</p> <p>Rovio (2014) EUR 25m Senior term loan</p>	<p>11 MARANGONI</p> <p>Marangoni (2014) EUR 10m Senior term loan</p>	<p>19 Doppelmayr</p> <p>Doppelmayr (2015) EUR 25m Senior term loan</p>	<p>27 ARCHOS</p> <p>Archos (2016) EUR 12m Quasi-Equity</p>
<p>4 manz</p> <p>Manz (2014) EUR 20m Mezzanine loan</p>	<p>12 Innocoll</p> <p>Innocoll (2015) EUR 25m Quasi-Equity</p>	<p>20 Gigaclear</p> <p>Gigaclear (2015) EUR 25m Quasi-Equity</p>	<p>28 SYSTEM Group</p> <p>System Group (2016) EUR 15m Senior term loan</p>
<p>5 Pharmathen</p> <p>Pharmathen (2014) EUR 25m Senior term loan</p>	<p>13 saes group</p> <p>Saes (2015) EUR 10m Senior term loan</p>	<p>21 punch powertrain</p> <p>Punch (2015) EUR 25m Senior term loan</p>	<p>29 CRETA FARMS</p> <p>Creta Farms (2016) EUR 15m Quasi-Equity</p>
<p>6 Welltec</p> <p>Welltec (2014) EUR 25m Senior term loan</p>	<p>14 PLANON</p> <p>Planon (2015) EUR 12m Senior term loan</p>	<p>22 FIGEAC AERO</p> <p>Figeac (2015) EUR 25m Senior term loan</p>	<p>30 flexenclosure</p> <p>Flexenclosure (2016) EUR 7.5m Quasi-Equity</p>
<p>7 PRAMAC</p> <p>Pramac (2014) EUR 8m Senior term loan</p>	<p>15 KIOSKED</p> <p>Kiosked (2015) EUR 15m Quasi-Equity</p>	<p>23 Qwant</p> <p>Qwant (2015) EUR 25m Quasi-Equity</p>	
<p>8 MAIER</p> <p>Maier (2014) EUR 7.5m Senior term loan</p>	<p>16 DANOBAT</p> <p>Danobat (2015) EUR 10m Senior term loan</p>	<p>24 eVISION</p> <p>eVision (2016) EUR 13.5m Quasi-Equity</p>	

Advantages

No crowding out. Complementary finance to house banks

EIB signaling effect to attract other banks & investors (quality stamp)

Long-term lending at attractive terms (no subsidised)

Growth finance without dilution of shareholders

InnovFin Product Overview



SMEs	Midcaps	Large Caps	Thematic Finance	Advisory
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direct products

indirect products

How does InnovFin Large Projects work?



- Senior debt (pari-passu with other senior lenders)
- Eligible project required. EIB finances up to 50% of R&D and innovation investments
- Comprehensive due diligence including project due diligence (technical, financial, economic)
- EIB standard documentation

Advantages

Long term loans at attractive terms (pari-passu)

Signaling effect and quality stamp (technical expertise)

Co-financing with house-banks preferred

No cross selling & hold to maturity strategy

InnovFin Product Overview



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direct products

indirect products

Which projects can be supported?

Renewable energy

Fuel Cells, Hydrogen

- Pre-commercial stage; technology needs to be scalable
- Loan: EUR 7.5m – EUR 75m; EUR and local currency; maturity of max 15 years; EIB finances up to 50% of project costs.
- Comprehensive due diligence including project due diligence (technical, financial, economic)
- EIB standard documentation

InnovFin Product Overview



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direct products
 indirect products

Which projects can be supported?



- Projects which have passed pre-clinical stage and for which clinical validation is needed for further development
- Loan: EUR 7.5m – EUR 75m; EUR and local currency; Loan maturity of max 7 years; EIB finances up to 50% of project costs.
- Broad range of products - standard debt instruments (i.e. senior, subordinated, and mezzanine) to risk sharing instruments (RSL) with forgiveness options
- Comprehensive due diligence, including project due diligence (technical, financial, economic)
- EIB standard documentation

InnovFin Product Overview



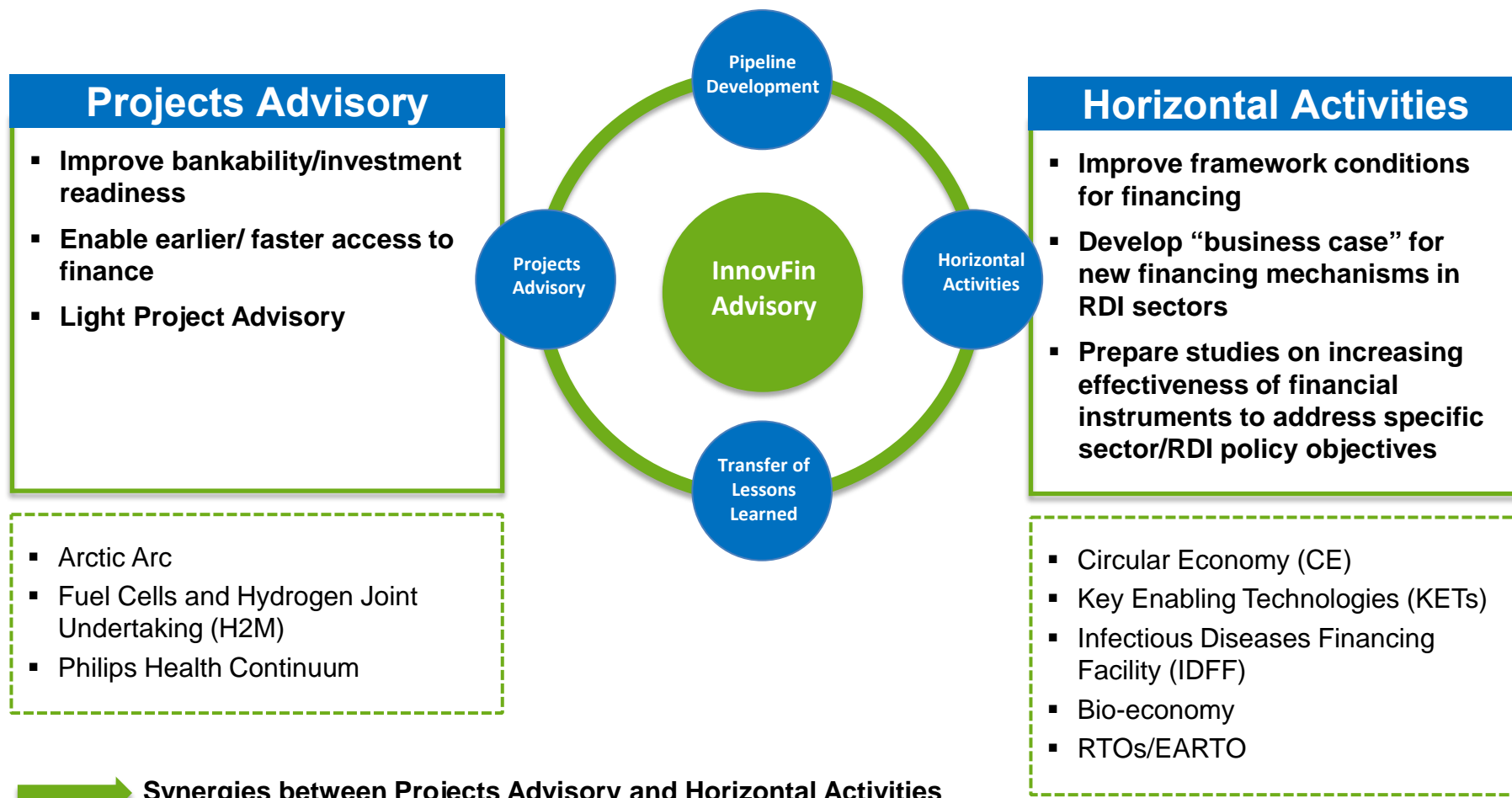
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■ direct products

▒ indirect products

Innovation Finance Advisory- What do we do?

Enable maximum access to finance for innovative projects



Visit www.eib.org/innovfin

Helping you innovate

1 2 3 4 5 6

How many employees do you have? Please select one

0 - 249 employees

Between 250 - 499 employees

Between 500 - 2999 employees

Over 3,000 employees

Next step

Helping you innovate

1 2 3 4 5 6

Loan amount needed Please select one

EUR 25,000 to EUR 7.5m

EUR 7.5m to EUR 12.5m

EUR 12.5m to EUR 25m

Next step

Helping you innovate

1 2 3 4 5 6

Are you an unlisted innovative SME or small Mid-Cap business? Please select all that apply

please select what applies to your company or, in case you request funding for an acquisition, to the company you intend to acquire

(1) I am an SME and I will invest the money in producing or developing new or substantially improved products, processes or services that are innovative and where there is a risk of technological or industrial failure as evidenced by an external expert's evaluation.

(2) I am a "fast-growing enterprise". That is: I've been operating in a market for less than 12 years following the first commercial sale and turnover or staff has grown endogenously on average at least 20% a year over a three-year period (with at least 10 employees at the beginning of the reference period).

(3) I have been operating in a market for less than 7 years following the first commercial sale and R&D costs represent at least 5% of the total operating costs in at least one of past three years (or in the current one, as certified by an external auditor in the case of a start-up enterprise).

(4) I am an "R&D intensive enterprise", as demonstrated by at least one of the following.

Next step



Helping you innovate

1 2 3 4 5 6

Please contact me

Thank you for requesting information about funding for innovation. Your choice of financing solution was based upon the information you provided below.

Employees: 0 - 249 employees | Loan value: EUR 25,000 to EUR 7.5m | Product: InnovFin MidCap Growth Finance

Please answer the following questions to help provide you with the best possible response.

Name:

Email address:

Tel number:

Send enquiry

Helping you innovate

1 2 3 4 5 6

Please select a country

Click on your country to locate banks that provide InnovFin SME Guarantee support

Next step

Helping you innovate

1 2 3 4 5 6

What's available to me? Please select one

Based on what you've told us, we've highlighted the best match for you. You can also click on any of the other un-highlighted products we offer, to find out if these might be suitable for you.

InnovFin SME Guarantee

Provides guarantees and counter-guarantees on debt financing of between €25,000 and €7.5 million, in order to improve access to loan finance for innovative small and medium-sized enterprises and small midcaps (up to 499 employees). This facility is implemented by the EIB, and will be rolled out through financial intermediaries, i.e. banks and other financial institutions.

I confirm that my business is not excluded from this loan. [View exclusions \(pop-up\)](#)

InnovFin MidCap Growth Finance

Available directly from the EIB

Offers long term senior, subordinated or mezzanine loans, in order to improve access to finance

Find out more



Objectives and Opportunities of the InnovFin Programme

Question & Answer session

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Case Study

***Matching the need of growth companies in
Moldova***

Marc D'hooge

InnovFin Programme Manager, EIB

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Case Study

Financing Innovative SMEs in Moldova

Olga Bulat,
Chairperson of Management Board, ProCredit Bank



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Case Studies

Question & Answer session

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Concluding remarks

Ion Tighineanu

*Academician, First Vice-President,
Academy of Sciences of Moldova*

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