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EIB Venture Debt as Growth Capital

Who is Venture Debt for?

You are an **innovation-driven** company with growth driven by the value of your own intellectual property

You are a start-up or mid-cap with **less than 3,000 employees** and growing

You have already raised **Series B/C equity** and your company needs additional financing to accelerate growth

Strong and sustainable business model, professional management team and established corporate governance

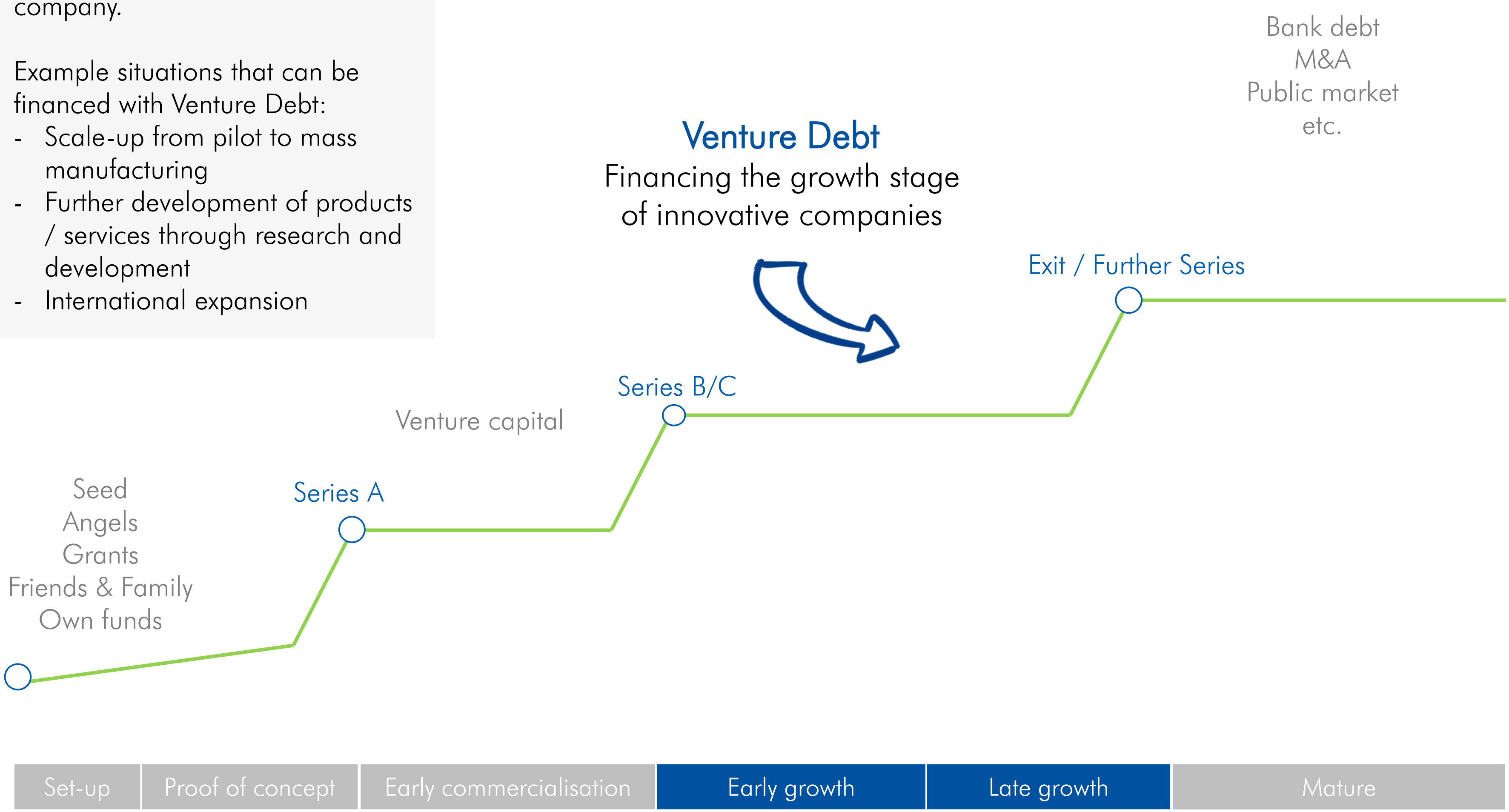
Investments to be financed are located in the **EU**

When is the right moment to finance with Venture Debt?

Venture Debt is a long-term financing provided to an early-stage, usually venture-backed company.

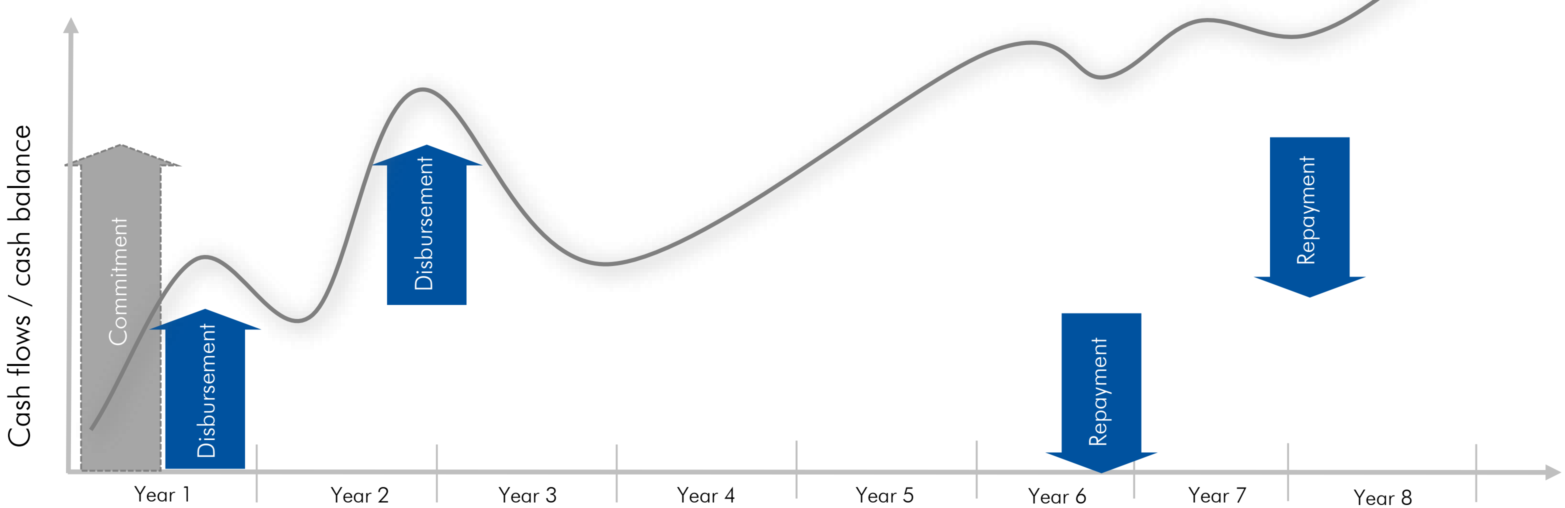
Example situations that can be financed with Venture Debt:

- Scale-up from pilot to mass manufacturing
- Further development of products / services through research and development
- International expansion



Structure

- Up-front commitment of the full amount and gradual disbursements
- Large tickets (EUR 7.5m – EUR 50m)
- Long availability (30 months or longer)
- Bullet structure (non-amortising)
- Long maturity (each tranche disbursed maturing 4-6 years after disbursement)



Advantages to stakeholders

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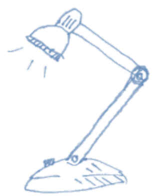


Companies

- Increase runway to next milestone or funding round
- Extend runway to cash positive
- Provide cushion

Founders

- Limited dilution
- Maintain control
- Extend time between next funding round
- Hands-off approach with no direct involvement

Investors

- Complementary to existing equity investment
- IRR enhancement
- Maintain control
- Long-term loans match timing of investment

EIB's Venture Debt – a snapshot

Reviewed

2,000
cases p.a.

Financed

100+
companies
to date

Signed

€**2.1**bn
transactions

R&D based
projects
supported

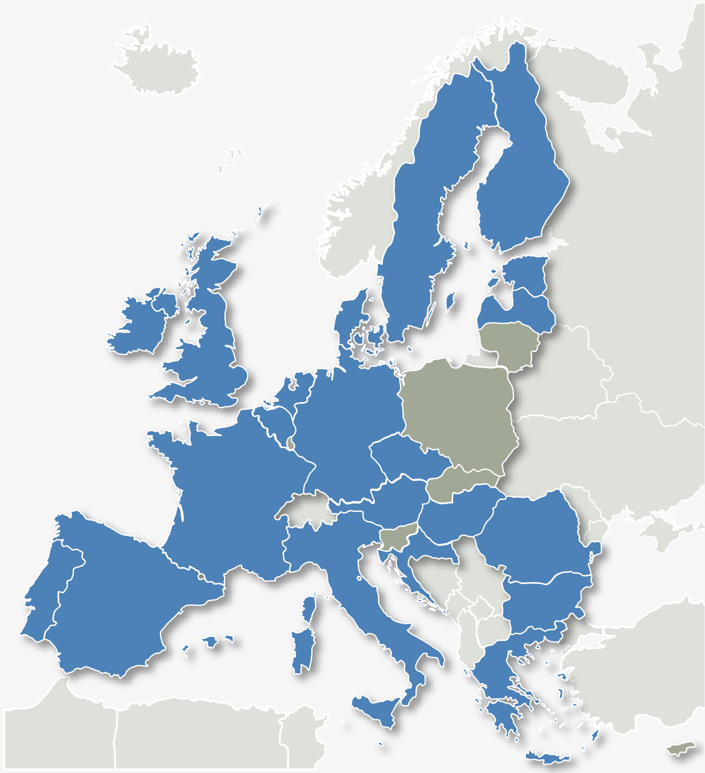
€**4.9**bn

Jobs created
(mainly R&D)

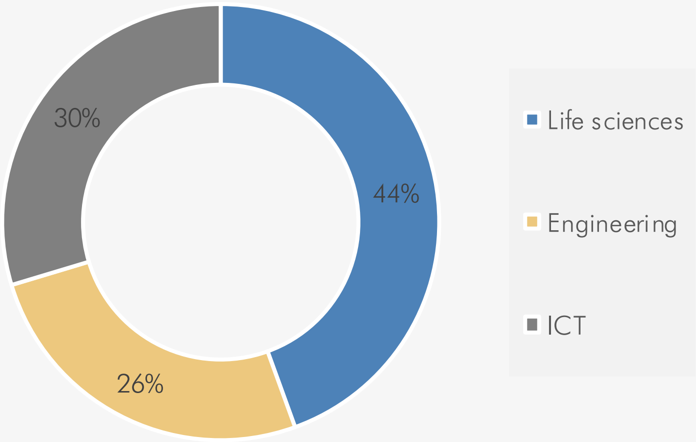
more than **11,000**

EIB's Venture Debt – coverage

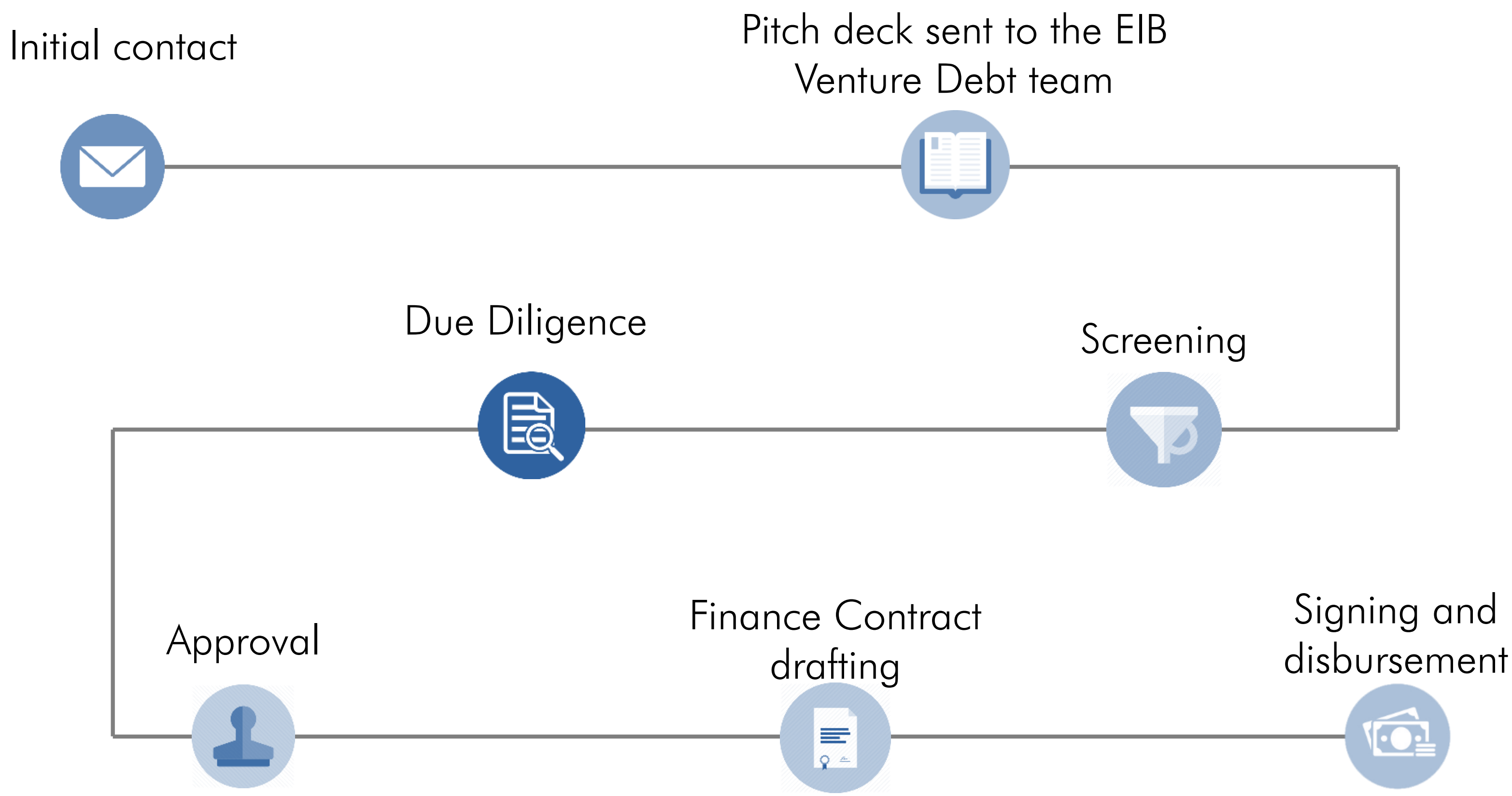
Transactions signed in **22** EU countries



Targets **innovation** driven sectors:
robotics, deep-tech, AI, biotech, medtech



Process


Initial contact
Pitch deck sent to the EIB Venture Debt team
Screening
Due Diligence
Approval
Finance Contract drafting
Signing and disbursement

A few lessons learned from the winners

> BEFORE ANYTHING ELSE, PREPARATION IS THE KEY TO SUCCESS.
>
> *Alexander Graham Bell*

Business Strategy

- The Company develops rather than adopts technology
- Roadmap for scale up
- Clear competitive advantages and high barriers to entry
- No marketing myopia: well defined market
- Sustainability of the business model over at least 5-8 years

Management

- Professional management
- Corporate governance structure in place
- Clear separation of functions: HR, CFO, CTO, Sales, CEO
- Strong investors

Quality of Information

- Documents [translated] in English
- Audited accounts
- Clear business plan with financial forecasts
- Technology already validated by 3^{rd} parties
- Good quality of information (structured, relevant, to the point) significantly speeds up the process

Our Venture Debt portfolio

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Jennewein Biotechnologie GmbH
innocoll
enterome bioscience
AntibioTx – Eliminating resistance to help patients
amoéba
olmix for a better life
CRETA FARMS
BiondVax Pharmaceuticals Ltd.
MOBIDIAG
AMRYT PHARMA
valneva
apeiron
DaVolterra
medneo
transgene
curetis

Med tech
- CAVIDI
- STAT Dx Closer to Care
- NEW ICON
- Biofrontera Experts in dermatology
- cellnovo
- biosurfit
- magforce THE NANOMEDICINE COMPANY

Other tech
- CANATU
- Science4you
- Ultimaker
- flexenclosure
- voxeljet
- ARCHOS
- eGYM

Fintech
- upstream
- FINEOS
- neXus Enabling trusted identities
- iZettle
- five degrees

AMW
indivumed

Fiber optics
- adamo
- hyperoptic
- Gigaclear

Cleantech
- FORSEE POWER
- SKELETON TECHNOLOGIES
- Heliatek The future is light
- electro POWER SYSTEMS GROUP
- Viking Heat Engines
- enevo
- SUNPARTNER Technologies

Software
- clavister
- Qwant
- KIOSKED
- cm.
- nosto
- censhare
- evision
- FROSMO
- inRiver
- MariaDB
- Every Angle

How to apply for venture debt financing

Send us an email at

venturedebt@eib.org

Please include:

- Short description of your company & business model
- High level financial information
- Details on equity raised so far
- Pitch deck (if available)
- Financing amount sought
- Completed *Eligibility Criteria Form* (available at eib.org/venture-debt)

APPENDIX: Indicative Terms and Structure

Eligible investee	Companies with up to 3,000 employees
Eligible project	Investment project related to the growth of the company and may include expenses such as: capex, opex related to growth, acquisition of assets (other than land), permanent increase in working capital, market expansion etc.
Co-investment	EIB finances maximum 50% of eligible project costs, co-investment with third-party sources or own resources
Ticket	EUR 7.5m – EUR 50m
Tenor and repayment	Usually 4 to 6 years after drawdown; repaid either as bullet at maturity or under an amortizing structure
Availability	Tranches are available for disbursement up to 30 months after signature (or longer in specific cases)
Pricing	May include one or more of the following, in relation to risk undertaken: - typically equity-linked instrument (warrants) or profit participation and / or - cash / capitalized interest
Security	Un/Secured
Fees	Certain fees applicable
Appraisal	Usually between 5 and 7 months

Venture Debt
Financing growth of
innovative companies

we financed this

€20m
growth stage
venture debt financing to
tado°
smart thermostats

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Venture Debt
Financing growth of
innovative companies

we financed this

€12m
growth stage
venture debt financing to

CANATU

flexible touchscreens

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Venture Debt
Financing growth of innovative companies

we financed this

€15m
growth stage
venture debt financing to

SKELETON TECHNOLOGIES

ultracapacitor energy storage

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Venture Debt

Financing growth of innovative companies

we financed this

€30m
growth stage
venture debt financing to

navya
be fluid

100% autonomous and electric vehicles

€29m
growth stage
venture debt financing to
nexus
identity management

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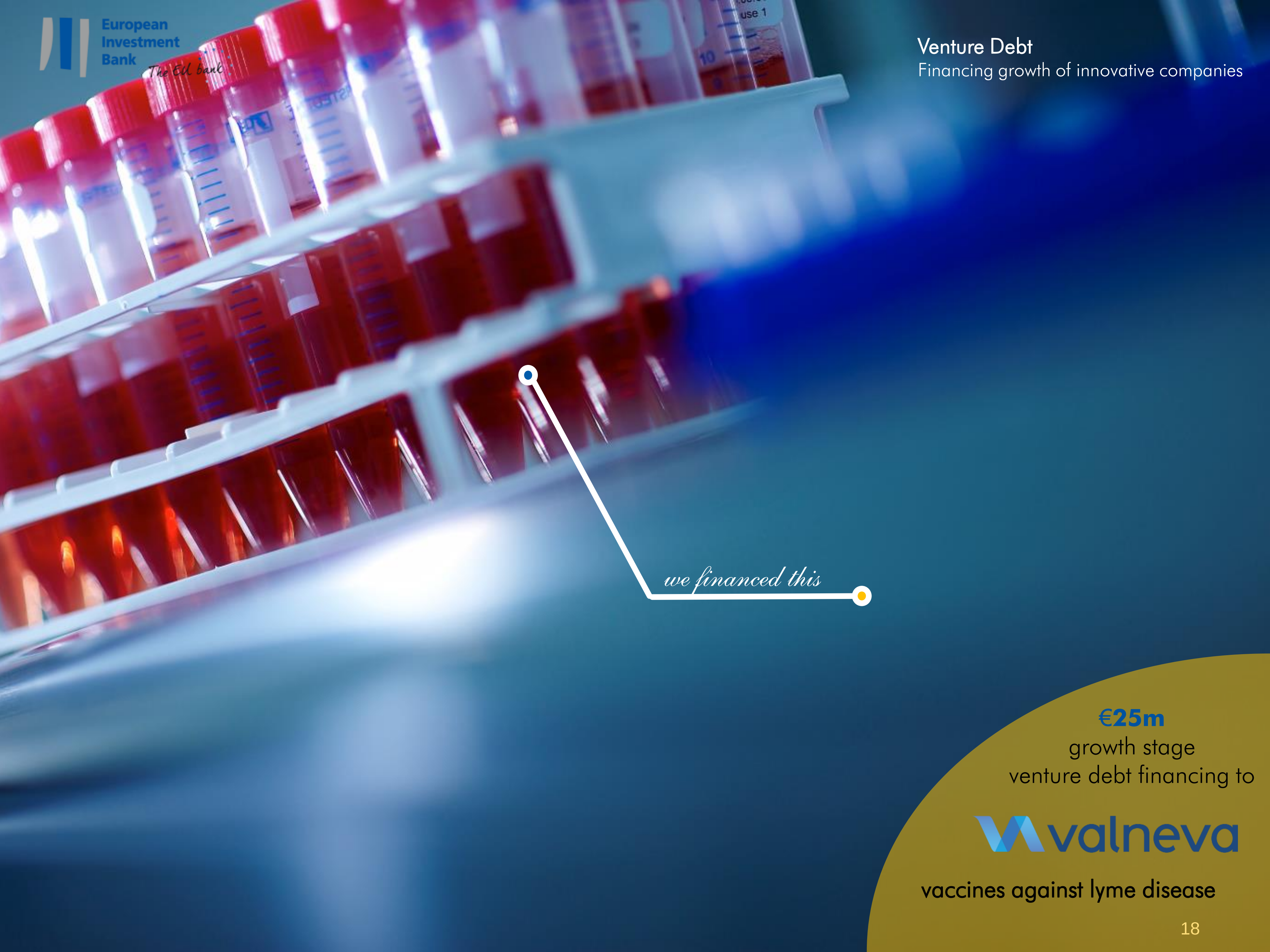
Venture Debt
Financing growth of innovative companies



€25m
growth stage
venture debt financing to

valneva

vaccines against lyme disease