Supporting Innovation in Romania

Bucharest, 3rd March 2017
Welcome address:

*Dietmar Dumlich*

Head of Public sector Division, Central & South Eastern Europe Department, European Investment Bank (EIB)
Welcome address:

Elena Georgescu

Secretary of State,
Ministry of Public Finance of Romania
Welcome address:

Angela Cristea

Head of the European Commission Representation in Romania
Overview of the EIB Group activities in Romania

Matei Anghelescu

Loan Officer,
Central & South Eastern Europe Department,
EIB
EIB Group at a Glance

**EIB**

- EU’s long-term lending bank set up in 1958 by the Treaty of Rome
- Largest multilateral lender and borrower in the world
  - Total assets of EUR 571bn as of 2015, AAA-rated with strong capital base
  - Raise funds on the international capital markets, passing on favourable borrowing conditions to clients (e.g. large amounts, broad range of currencies, long maturities, attractive interest rates)
  - Catalyst for participation of other banking or financial partners
  - Shareholders: 28 EU Member States
- Some 440 projects each year in over 160 countries

**EIF**

- Leading developer of risk financing for entrepreneurship and innovation across the EU
  - Supported over 1.5 million SMEs over 20 years
  - Shareholders: EIB (62.1%), European Commission (30%), public and private financial institutions (7.9%)
  - Working with financial intermediaries across the 28 EU Member States, EFTA and all Accession countries
  - AAA-rated with strong capital base
EIB at a glance

• Sustainable growth and jobs in Europe
  – Innovation and skills
  – Trans-European Networks
  – Sustainable, competitive and secure energy
  – Financing smaller businesses
• Economic and social cohesion
  – Special support for economically weaker regions
  – Helping regions absorb EU funds
• Environmental sustainability
  – Climate action
  – Sustainable transport

Supporting EU policy goals
EIB Lending in Romania per sector

The total cumulative volume of EIB lending in Romania since 1990 is about EUR 12bn.

In 2016 EIB provided financing totalling EUR 1,036m, 2.5 times higher than the annual average of the previous 4 years – this level represents the “floor” that is expected to be maintained in the next years. Activity in 2016 included:

- **EUR 660m** co-finance priority EU 2014-2020 projects
  - **EUR 360m** in support of growth-oriented investments under the Operational Programmes Competitiveness, Human Capital and Large Infrastructure
  - **EUR 300m** in support of priority environment sector projects under the Operational Programme Large Infrastructure
EIB Lending in Romania per sector

- **EUR 57m** to support **energy efficiency** investments in urban centres, notably the Municipalities of Bucharest (Sectors 2, 4 and 6).

- **EUR 305m** of **intermediated financing** through seven partner financing institutions, of which **EUR 206m** in the framework of the **SME Initiative**, a joint initiative of the EIB Group and the European Commission intended to contribute significantly to sustainable growth and employment through the facilitation of credit at attractive terms to Romanian SMEs.

- **EUR 15m** to **Agricover Credit IFN** to finance smaller projects implemented by SMEs in the agriculture sector. This is the first EIB transaction in Romania under the **European Fund for Strategic Investments (EFSI)**, the financing component of the **Investment Plan for Europe (IPE)**.

- **Project Advisory Support** worth some **EUR 19m** in favour of the **Ministry for European Funds** and the **National Public Procurement Agency (ANAP)**.

- **European Investment Advisory Hub** (part of the IPE) support worth **EUR 1.5m** in favour of the **Ministry of Health** to facilitate project preparation for the construction of 3 regional hospitals (Iasi, Cluj-Napoca and Craiova).
EIF’s Exposure in Romania

- **2001** First EIF operation in Romania
- **3** Private Equity funds investing in Romanian SMEs
- **13** financial partners and guarantee providers

**EIF exposure in Romania (in EURm)**

- **Guarantees**
  - Catalysed amount: 901 EURm
  - Committed amount: 260 EURm

- **Microfinance**
  - Catalysed amount: 179 EURm
  - Committed amount: 55 EURm

- **Equity**
  - Catalysed amount: 118 EURm
  - Committed amount: 51 EURm

**Guarantees, Equity & Microfinance transactions in Romania**
Prospects for future EIB activities in Romania

- **Public sector**
  - EU funds co-financing of priority public infrastructure (Transport, Environment, Health, Education, Rural Development, small municipal infrastructure)
  - Energy Efficiency (Residential and public building)
  - Environment (water and waste water, including EFSI backed)
  - Urban infrastructure

- **Banking sector**
  - Deployment of the SME Initiative
  - EFSI backed risk sharing structures
  - Leasing

- **Corporate sector**
  - EFSI backed operations in energy, telecom and health sectors
  - Direct lending to State-owned Enterprises for productive investments

- **Project Finance**
  - Health sector

- **Advisory Services**
  - Health sector (regional emergency hospitals)
  - Capacity building (project implementation support, public procurement)
  - Public investment institutions and governance (PPP, NPI, sovereign fund)
Investment plan for Europe in Romania (signed or approved)

- **EIB (Innovation & Infrastructure Window)**
  - Agricover loan for SMEs for EUR 15m, mobilising EUR 54m investments
  - Arcelor Mittal European R&D Programme
  - Digital Television Transition for EUR 10m, mobilising EUR 20m investments
  - Transgaz Interconnection Project for EUR 100m, mobilising close to EUR 300m investment
  - Romania Regional Water Programme Loan for EUR 100m

- **EIF (SME Window)**
  - 3 transactions totalling EUR 32m and which mobilise over EUR 300m total investments
EIB Group Blending for Innovation

- **InnovFin** – EU Finance for Innovators under Horizon 2020, covering the entire value chain of research and innovation (R&I) **up to a limit of EUR 500m down to EUR 25 000**, either directly or indirectly through banks or other financial institutions.

- Typically, the EIB loan covers a third of project cost, but we may finance up to 50%.

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**EIB**

- **InnovFin**
  - **Large Projects**
    - Direct corporate lending
    - Large Caps
    - > 3000 employees
  - **MidCap Growth Finance**
    - Direct corporate lending
    - Midcaps
    - < 3000 employees
  - **MidCap Guarantee**
    - Intermediated financing
    - Midcaps
    - < 3000 employees
  - **Energy Demo Projects**
    - PF and/or direct corporate lending
    - SPVs, Midcaps and Large Caps
  - **Infectious Diseases**
  - **Advisory**
    - Financial advisory
    - Public and private sector promoters

**EIF**

- **InnovFin**
  - **Equity**
    - Intermediated financing
    - SMEs and Small Midcaps
    - < 500 employees
  - **SME Guarantee**
    - Equity for Early-stage Enterprises
Thank you for your attention!
Objectives and Opportunities of the InnovFin Programme

**Patrick McCutcheon**
Senior Policy Officer,
DG Research & Innovation, European Commission

**Tomasz Kozlowski**
Head of Innovation Programmes, European Investment Fund (EIF)

**Marc D’hooge**
InnovFin Programme Manager, EIB

**Jaro Tóth**
Advisor, Innovation Finance Advisory Division, EIB
InnovFin: A Quantum Leap

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

Please watch the video at
http://www.eib.org/infocentre/videotheque/innovfin-eu-finance-for-innovators.htm
# InnovFin Product Overview

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<th>Midcaps</th>
<th>Large Caps</th>
<th>Thematic Finance</th>
<th>Advisory</th>
</tr>
</thead>
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<td>InnovFin MidCap Guarantee</td>
<td>InnovFin Large Projects</td>
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<td>InnovFin Advisory</td>
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<tr>
<td>InnovFin Venture Capital</td>
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<td>InnovFin Fund-of-Funds</td>
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</tbody>
</table>

- Early-Stage Enterprises, SMEs and Small Midcaps < 500 Employees
- SMEs and Small Midcaps < 500 Employees
- Intermediated Equity Financing
- Intermediated Debt Financing
- Midcaps < 3,000 Employees
- Large Caps Typically > 3,000 Employees
- Project Finance and/or Direct Corporate Lending
- SPV, Midcaps and Large Caps
- Public and Private Sector Promoters
- Financial Advisory

Direct products

Indirect products
InnovFin SME Guarantee – innovation logic

**INNOVATIVE PROJECT**
- Use financing for innovative products, processes, services, business models
- of high technological or industrial failure
- For at least 80% of the innovative endeavor

**INNOVATION of all types**
- ......can happen in All SECTORS, enterprises of All SIZES...
- ......INCREMENTAL and DISRUPTIVE INNOVATION

**INNOVATIVE COMPANY**
- R&I cost intensive:  
  - > 5-10% of operating costs  
  - or >20% of loan amount
- registered a technology right and wish to exploit it
- investing in new products / new geographical market
- fast growing enterprises
- a VC fund or Business Angel investee companies
- recipients of R&I support schemes: grants, loans, guarantees, tax credits, prizes
InnovFin Equity – innovation logic

**Investment focus of financial intermediaries**

- H2020 sectors & societal challenges
  - ICT/KET
  - Nanotechnologies
  - Bio tech
  - Clean Tech
  - Med Tech
  - Resource efficiency
  - Food security / bio-economy
  - Health and demographic
  - Climate change

**INNOVATION**

- Focus on the fund strategy
- In a VC portfolio, all companies must be innovative with high growth potential
- Mostly Disruptive and new to the world innovations

**Technology/knowledge intensive**

- Early stage
  - Proof of concept
  - Technology transfer
  - Pre seed
  - Seed
  - Startup

- All forms: pre-corporate and corporate
  - Startups, spin-offs, spin-outs, joint ventures, projects, technology rights,

- All types: Commercial as well as social enterprises

InnovFin Equity
InnovFin Product Overview

- **Early-Stage Enterprises**
  - InnovFin Technology Transfer
  - InnovFin Business Angels
  - InnovFin Venture Capital
  - InnovFin Fund-of-Funds
  - Early-Stage Enterprises, SMEs and Small Midcaps < 500 Employees
  - Intermediated Equity Financing

- **SMEs**
  - InnovFin SME Guarantee
  - SMEs and Small Midcaps < 500 Employees
  - Intermediated Debt Financing

- **Midcaps**
  - InnovFin MidCap Guarantee
  - InnovFin MidCap Growth Finance
  - Midcaps < 3,000 Employees
  - Intermediated and/or Direct Corporate Lending

- **Large Caps**
  - InnovFin Large Projects
  - Large Caps Typically > 3,000 Employees
  - Direct Corporate Lending

- **Thematic Finance**
  - InnovFin Energy Demo Projects
  - InnovFin Infectious Diseases
  - SPV, Midcaps and Large Caps
  - Project Finance and/or Direct Corporate Lending

- **Advisory**
  - InnovFin Advisory
  - Public and Private Sector Promoters
  - Financial Advisory

- **Direct products**
- **Indirect products**
**Basic features**

- **Early Stage focus**
- **Pre-seed, seed, start up phases** (seed & A rounds included)
- **Focus on Horizon 2020 objectives** (e.g. ICT, life sciences, clean energy)
- **Investment size** up to EUR 50m
- **Pari-passu**, at least 30% investment from private investors
- **Up to 25/50% of total commitments**
- **x2 of investment ticket in eligible investees**
- **EU + Horizon 2020 Associated Countries**
- **Call for Expression of Interest**

**Stage coverage**

- **InnoFin Fund-of-Funds**
- **InnoFin Venture Capital**
- **InnoFin Business Angels**
- **InnoFin Technology Transfer**

**SME Development Stages**

- **PRE-SEED PHASE**
  - PROOF OF CONCEPT
- **SEED PHASE**
- **START-UP PHASE**
- **EMERGING GROWTH**
- **DEVELOPMENT**
Promotion of IP, licensing, spin offs, spin-outs

Pre-seed and seed funds, including affiliated with TTOs, ROs, HEIs

Open to Proof of Concept pockets

Investment size up to 50% of total commitments

InnovFin Technology Transfer

Investment size up to EUR 50 million

TRL 3-8

At least 50% of fund size focused on TT

SMEs, JVs, projects
Business Angels

Business Angel managed funds and co-investment funds

Open for experienced business angels wishing to team up and set up their first BA funds

Investment size typically up to 50% of total commitments

BA Funds are expected to take investment decisions, rather than passively co-invest

Investment size up to EUR 50 million

Focus on ICT and other H2020 sectors

May invest >50% fund size if the co-investment ratio is not higher than 50% on deal by deal basis

Emphasis on seed and start up stage, may include social enterprises
Venture Capital

- Early stage focused Venture capital funds and co-investment funds
- Available also for first-time or emerging investment teams
- Investment size typically up to 25%, but not higher than 50% of total commitments
- Open to multi-stage strategies (combining other EIF’s managed resources)
- Focus on one or more H2020 sectors
- Seed stage and series A rounds, series B on case by case basis
- First closing preferred, other closings if catalytic
- Investment size up to EUR 50 million

InnoVFin Venture Capital
**Fund-of-Funds**

- FoF targets at least 4 countries (EU and/or H2020 Associated Countries)
- Investment size up to EUR 50 million (typically up to 25% of total FoF’s commitments)
- Investee funds should focus on H2020 sectors
- Investee FMs established or operating in EU or H2020 Associated Countries
- At least 50% aggregate investee funds investable amounts to be placed in EU
- Open to multi-stage strategies with significant (>30%) early stage allocation
- Effective & transparent FoF governance

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**InnovFin**

**Fund-of-Funds**
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

Eligibility fit

Catalytic role

Value creation

Market development

EU Value Added

Internationalisation

Multicountry focus

Countries with VC activity/GDP below EU average

Special focus areas: BA, TT, social enterprises
InnovFin Product Overview

**Early-Stage Enterprises**
- InnovFin Technology Transfer
  - SME Guarantee
- InnovFin Business Angels
- InnovFin Venture Capital
- InnovFin Fund-of-Funds

**SMEs**
- SMEs and Small Mids caps < 500 Employees
- Intermediated Equity Financing

**Midcaps**
- InnovFin MidCap Guarantee
- InnovFin MidCap Growth Finance

**Large Caps**
- InnovFin Large Projects
- Direct Corporate Lending

**Thematic Finance**
- InnovFin Energy Demo Projects
- InnovFin Infectious Diseases

**Advisory**
- InnovFin Advisory
- Public and Private Sector Promoters
- Financial Advisory

Legend:
- 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

50% guarantee rate

New Loans/Leases

Innovative SMEs and Small Mid-Caps
Key Guarantee Terms

Direct Guarantees

- SMEs
- Small Mid-caps
- Innovative
- EU 28 & H2020 Associated Countries

Counter - Guarantees

- Amount: up to EUR 7.5m (EUR or LCY)
- Maturity: up to 10 years
- Loans, credit lines, bonds, leases
- Tangible & Intangible Assets
- Business Transfers
- Working Capital

Transactions

(senior debt only)

Purpose

Final Beneficiaries

Innovative SMEs

Small Mid-caps

EU 28 & H2020 Associated Countries

Amount: up to EUR 7.5m (EUR or LCY)

Maturity: up to 10 years

Loans, credit lines, bonds, leases

Tangible & Intangible Assets

Business Transfers

Working Capital

Purpose

Final Beneficiaries
Guarantee Fee

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

Guarantee Fee:
- SME: 0.50% p.a.
- Small Mid-Cap: 0.80% p.a.
Transfer of Benefit (indicative example)

Without InnovFin
Financing at 4%

With InnovFin
Financing at 3.5%

Cost of Risk

Margin

Fixed Costs

Funding Costs

Cost of the guarantee: 0.5% (or 0.8% for small midcap)
InnovFin Product Overview

- **Early-Stage Enterprises**
  - InnovFin Technology Transfer
  - InnovFin Business Angels
  - InnovFin Venture Capital
  - InnovFin Fund-of-Funds
  - Early-Stage Enterprises, SMEs and Small Midcaps < 500 Employees
  - Intermediated Equity Financing

- **SMEs**
  - InnovFin SME Guarantee

- **Midcaps**
  - InnovFin MidCap Guarantee
  - InnovFin MidCap Growth Finance

- **Large Caps**
  - InnovFin Large Projects

- **Thematic Finance**
  - InnovFin Energy Demo Projects
  - InnovFin Infectious Diseases

- **Advisory**
  - InnovFin Advisory

- **Direct products**
  - Midcaps < 3,000 Employees
  - Intermediated and/or Direct Corporate Lending

- **Indirect products**
  - Large Caps Typically > 3,000 Employees
  - Direct Corporate Lending
  - SPV, Midcaps and Large Caps
  - Project Finance and/or Direct Corporate Lending
  - Public and Private Sector Promoters
  - Financial Advisory
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
- Pari-passu sharing of risk and pricing
- Full delegation to financial intermediaries
- Favourable capital treatment expected
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
MidCap Growth Finance ("MGF") 09/2014 – 09/2016

MGF Portfolio: Countries

- Italy 17%
- Finland 13%
- Germany 10%
- France 10%
- Belgium 7%
- Portugal 7%
- Netherlands 7%
- Spain 3%
- Austria 7%
- Greece 7%
- Denmark 3%
- Sweden 3%
- Ireland 3%
- UK 3%
- Norway 3%

MGF Portfolio: Sectors

- Engineering 40%
- ICT 37%
- Life Science 20%
- Other 3%
## MidCap Growth Finance Debt portfolio (lower risk)

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Amount</th>
<th>Loan Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARPOSS</td>
<td>Italy</td>
<td>€25 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>MANZ AG</td>
<td>Germany</td>
<td>€20 million</td>
<td>Mezzanine Loan</td>
</tr>
<tr>
<td>WELLTEC</td>
<td>Denmark</td>
<td>€25 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>PRAMAC</td>
<td>Italy</td>
<td>€8 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>SAES</td>
<td>Italy</td>
<td>€10 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>DOPPELMAYR</td>
<td>Austria</td>
<td>€25 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>SYSTEM GROUP</td>
<td>Italy</td>
<td>€15 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>DANOBAT</td>
<td>Spain</td>
<td>€10 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>MAIER</td>
<td>Spain</td>
<td>€7.5 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>MARANGLONI</td>
<td>Italy</td>
<td>€10 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>PUNCH</td>
<td>Belgium</td>
<td>€25 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>FIGEAC</td>
<td>France</td>
<td>€25 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>MAM</td>
<td>Austria</td>
<td>€25 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>ROVIO</td>
<td>Finland</td>
<td>€25 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>NOVABASE</td>
<td>Portugal</td>
<td>€14 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>PLANON</td>
<td>The Netherlands</td>
<td>€12 million</td>
<td>Senior Term Loan</td>
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<tr>
<td>EVS</td>
<td>Belgium</td>
<td>€12 million</td>
<td>Senior Term Loan</td>
</tr>
<tr>
<td>E-NET</td>
<td>Ireland</td>
<td>€12 million</td>
<td>Subordinated Loan</td>
</tr>
<tr>
<td>PHARMATHEN</td>
<td>Greece</td>
<td>€25 million</td>
<td>Senior Term Loan</td>
</tr>
</tbody>
</table>
## MidCap Growth Finance (quasi-equity risk)

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
<th>Value (€)</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>Kiosked</td>
<td>Software</td>
<td>Finland</td>
<td>15 million</td>
<td>11/09/2015</td>
</tr>
<tr>
<td>Qwant</td>
<td>Search engine</td>
<td>France</td>
<td>25 million</td>
<td>23/12/2015</td>
</tr>
<tr>
<td>Vision</td>
<td>Software</td>
<td>The Netherlands</td>
<td>13.5 million</td>
<td>22/01/2016</td>
</tr>
<tr>
<td>Gigaclear</td>
<td>Fiber optic networks</td>
<td>England</td>
<td>25 million</td>
<td>17/12/2015</td>
</tr>
<tr>
<td>Archos</td>
<td>Electronics</td>
<td>France</td>
<td>12 million</td>
<td>11/04/2016</td>
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<tr>
<td>Flexenclosure</td>
<td>Data Centers</td>
<td>Sweden</td>
<td>7.5 million</td>
<td>20/05/2016</td>
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<tr>
<td>Ultimaker</td>
<td>3D printers</td>
<td>The Netherlands</td>
<td>10 million</td>
<td>04/07/2016</td>
</tr>
<tr>
<td>Innocoll</td>
<td>Biotech</td>
<td>Germany</td>
<td>25 million</td>
<td>27/03/2015</td>
</tr>
<tr>
<td>Biosurfit</td>
<td>Biotech equipment</td>
<td>Portugal</td>
<td>12 million</td>
<td>27/11/2015</td>
</tr>
<tr>
<td>Jennewein</td>
<td>Biotech</td>
<td>Germany</td>
<td>10 million</td>
<td>02/12/2015</td>
</tr>
<tr>
<td>New Icon</td>
<td>Medical Equipment</td>
<td>Finland</td>
<td>8 million</td>
<td>18/03/2016</td>
</tr>
<tr>
<td>Transgene</td>
<td>Food production</td>
<td>Greece</td>
<td>20 million</td>
<td>06/05/2016</td>
</tr>
<tr>
<td>Mobiding</td>
<td>Disease diagnostics</td>
<td>Finland</td>
<td>15 million</td>
<td>13/07/2016</td>
</tr>
<tr>
<td>Hyperoptic</td>
<td>Fiber optic networks</td>
<td>UK</td>
<td>25 million</td>
<td>08/07/2016</td>
</tr>
<tr>
<td>Genevo</td>
<td>Waste collection</td>
<td>Finland</td>
<td>15 million</td>
<td>11/07/2015</td>
</tr>
<tr>
<td>Valneva</td>
<td>Vaccines</td>
<td>France</td>
<td>25 million</td>
<td>12/07/2016</td>
</tr>
<tr>
<td>Canatu</td>
<td>Flexible displays</td>
<td>Finland</td>
<td>12 million</td>
<td>13/07/2016</td>
</tr>
<tr>
<td>Fineos</td>
<td>Insurance software</td>
<td>Ireland</td>
<td>15 million</td>
<td>22/06/2016</td>
</tr>
<tr>
<td>Frosmo</td>
<td>eCommerce software</td>
<td>Finland</td>
<td>8.5 million</td>
<td>22/06/2016</td>
</tr>
<tr>
<td>Cavidi</td>
<td>HIV Testing</td>
<td>Sweden</td>
<td>10 million</td>
<td>10/07/2015</td>
</tr>
</tbody>
</table>
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

**Early-Stage Enterprises**
- InnovFin Technology Transfer
- InnovFin Business Angels
- InnovFin Venture Capital
- InnovFin Fund-of-Funds

**SMEs**
- InnovFin SME Guarantee
- SMEs and Small Midcaps < 500 Employees
- Intermediated Equity Financing
- Intermediated Debt Financing

**Midcaps**
- InnovFin MidCap Guarantee
- InnovFin MidCap Growth Finance

**Large Caps**
- InnovFin Large Projects
- SPV, Midcaps and Large Caps
- Project Finance and/or Direct Corporate Lending

**Thematic Finance**
- InnovFin Energy Demo Projects
- InnovFin Infectious Diseases

**Advisory**
- InnovFin Advisory
- Public and Private Sector Promoters
- Financial Advisory

**Direct products**
- Midcaps < 3,000 Employees
- Large Caps Typically > 3,000 Employees
- Direct Corporate Lending

**Indirect products**
- Intermediated and/or Direct Corporate Lending
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**

<table>
<thead>
<tr>
<th>Advantage</th>
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<tbody>
<tr>
<td><strong>Long term loans at attractive terms (pari-passu)</strong></td>
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<tr>
<td><strong>Signaling effect and quality stamp (technical expertise)</strong></td>
</tr>
<tr>
<td><strong>Co-financing with house-banks preferred</strong></td>
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<tr>
<td><strong>No cross selling &amp; hold to maturity strategy</strong></td>
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**Direct products**

**Indirect products**
Which projects can be supported?

- 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

- **InnovFin Technology Transfer**
- **InnovFin SME Guarantee**
- **InnovFin Business Angels**
- **InnovFin Venture Capital**
- **InnovFin Fund-of-Funds**

### Early-Stage Enterprises
- Early-Stage Enterprises, SMEs and Small Midcaps < 500 Employees
- Intermediated Equity Financing

### SMEs
- SMEs
- Small Midcaps < 500 Employees
- Intermediated Debt Financing

### Midcaps
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- Midcaps < 3,000 Employees
- Intermediated and/or Direct Corporate Lending

### Large Caps
- **InnovFin Large Projects**
- Large Caps Typically > 3,000 Employees
- Direct Corporate Lending

### Thematic Finance
- **InnovFin Energy Demo Projects**
- SPV, Midcaps and Large Caps
- Project Finance and/or Direct Corporate Lending

### Advisory
- **InnovFin Advisory**
- Public and Private Sector Promoters
- Financial Advisory

- **InnovFin Infectious Diseases**

**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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Innovation Finance Advisory - What do we do?

Enable maximum access to finance for innovative projects

**Projects Advisory**
- Improve bankability/investment readiness
- Enable earlier/faster access to finance
- Light Project Advisory

**Horizontal Activities**
- Improve framework conditions for financing
- Develop "business case" for new financing mechanisms in RDI sectors
- Prepare studies on increasing effectiveness of financial instruments to address specific sector/RDI policy objectives

**Synergies between Projects Advisory and Horizontal Activities**
- Arctic Arc
- Fuel Cells and Hydrogen Joint Undertaking (H2M)
- Philips Health Continuum
- Circular Economy (CE)
- Key Enabling Technologies (KETs)
- Infectious Diseases Financing Facility (IDFF)
- Bio-economy
- RTOs/EARTO
Visit www.eib.org/innovfin
Objectives and opportunities of the InnovFin Programme

Question & Answer session
Case Study

Financing Innovative SMEs and small midcaps in Romania

Antje Gerhold

General Manager, ProCredit Romania
Case Study

Matching the need of growth companies in Romania

Marc D’hooge, InnovFin Programme Manager, EIB
Biosurfit case study

Please watch the video at:
http://www.eib.org/infocentre/videotheque/biosurfit-video.htm
Company Overview
- Established in Lisbon in 2006
- Started with 6 people and now counts over 100
- Commercial-stage medical diagnostics company
- Breakthrough technology for fast, precise and affordable blood analysis for point of care medical testing (EUR 14bn market)
  - New diagnostic system
  - 1 drop of blood
  - 5 minutes

Technology
- Spinit® diagnostic system: performs all the most common blood tests on one instrument
- Results in a matter of minutes from a single drop of blood
- Benefits: accelerate the medical process and start the most effective treatment
- 21 independent patents
- Biggest Healthcare Award from the 2011 World Innovation Summit in Barcelona

Business Results
- Sales to hospitals and doctors’ offices in the Netherlands, Belgium, Norway, Switzerland and the Middle East

Loan Structure
- Facility: Equity-type
- Amount: EUR 12,000,000
- Investment Supported: EUR 27,000,000
  - Build new production facilities
  - Hire more people
  - Deliver new test options to doctors

EIB Investment Rationale
- Sustainable structure: raised equity in the past
- Experienced management team
- Strong business plan with credible growth perspective
- Innovative company with the potential to significantly improve diagnostic care around the world
Case Studies

Question & Answer session
Concluding remarks

Prof. Adrian Curaj

Director General,
Executive Agency for Higher Education, Research Development and Innovation Funding