

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
Project name	VENTURE TO FUTURE FUND
Promoter and financial intermediary	SLOVAK ASSET MANAGEMENT SPRÁV SPOL AS
Country of implementation	Slovakia
Summary project description	<p>The proposed operation consists in an equity commitment of up to EUR 10m in the unlevered and unregulated fund (the "Fund" or "VFF") domiciled and registered in Slovakia. The Fund has a target size of EUR 40m and is managed by Slovak Asset Management, správ. spol., a. s. (the "Fund Manager").</p> <p>This venture capital fund will follow a non-diversified strategy and adopt a generalist approach in terms of sectors, offering equity or quasi-equity financing. Portfolio companies will be mainly fast-growing Slovak SMEs.</p> <p>The Fund will target companies that are too large to be financed by pre-seed or seed investors, such as business angel investors, family and relatives or the entrepreneurs themselves, and still too small to draw the attention of most private equity funds active in the region. In that sense, the Fund will play the role of a bridge between two distinct investor categories by filling a market gap in the provision of financing at a critical stage in the development of enterprises with high potential.</p> <p>Thanks to its strong focus on co-investments, the investment strategy of this venture capital ("VC") fund will provide the few investment funds active in that segment in Slovakia with additional financing capabilities. On various occasions, those co-investors are not able to provide sufficient funding upfront or as part of a follow-on investment because of their small total fund size and/or single asset exposure limit. This may result in an insufficient allocation of financial resources to projects critical for the expansion of the investees and therefore be detrimental to their growth. The combined participation of the Fund and its co-investors would overcome this difficulty and facilitate the emergence of a next generation of champions in Slovakia. VFF may also contribute to develop the local ecosystem and stimulate further the launch of other VC funds in Slovakia.</p>

¹ This Scoreboard of indicators reflects the information presented to the EFSI Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

Parts of this document that fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
Cross-cutting objectives	
EIB Cohesion Priority Regions / Economic and Social Cohesion	20.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Financial support through the EIF and the EIB to entities having up to 3 000 employees	100.00%
Other financial support through the EIF and the EIB to entities having up to 3 000 employees	100.00%

Pillar 2

Quality and soundness of the project	Acceptable
1. Growth	[...]
2. Promoter capabilities	[...]
3. Sustainability	[...]
4. Employment	[...]

This pillar evaluates the quality and soundness of the operation. This pillar is composed of up to four indicators, as relevant, among which:

- (i) "Growth" i.e. for example and where relevant the economic rate of return ('ERR'), which considers the project's socioeconomic costs and benefits, including its spillover effects;
- (ii) "Promoter capabilities" i.e. the capacity of the promoter/intermediary to implement the project and create the expected impact at the [final] beneficiary level;
- (iii) "Sustainability" i.e. environmental and social sustainability²;
- (iv) "Employment" i.e. the project's direct employment effect;
- (v) "Increasing access to finance and improving financing conditions including for final beneficiaries".

Pillar 3

EIB Technical and financial contribution to the project	Moderate
1. Financial contribution	[...]
2. Financial facilitation	[...]
3. Advice	[...]

This pillar measures the EIB's particular contribution to the project and its financing scheme in the form of financial and non-financial benefits which go beyond what commercial players would normally be able to offer. This dimension of value added is assessed through up to three indicators:

- (i) "Financial Contribution" i.e. improving the counterpart's funding terms compared to market sources of finance (interest rate reduction and/or longer lending tenor);
- (ii) "Financial Facilitation" i.e. helping to attract private financiers (for example through positive signaling effects), promoting synergies in co-financing with other public sources of funds including National Promotional Banks or EU financial instruments;
- (iii) "Technical Contribution and Advice" i.e. providing advice with a view to optimizing the financing package (financial structuring), or technical advisory services in the form of expert input / knowledge transfer - provided in-house by the EIB or in the form of assignments to external consultants - to facilitate the preparation or implementation of a project.

² For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website.

Pillar 4 - Complementary indicators

Additionality

In line with the EFSI objective of supporting SMEs and Midcaps, the operation aims to improve access to finance for SMEs via equity-type investments to be made by a Fund targeting high-growth SMEs in Slovakia.

The operation addresses market failures and sub-optimal investment situation linked to difficulties experienced by SMEs when looking for equity financing to cover their growth capital expenses. This market gap is the result of information asymmetries and higher uncertainty related to SME financing resulting in very few venture capital investors focusing on the late-stage segment of the venture capital market. The fund will unlock the unmet financing for SMEs that are too large to be financed by pre-seed or seed investors or the entrepreneurs themselves out of their own savings, and still too small to draw the attention of most private equity funds active in the region.

The operation is expected to fall under EIB Special Activities, in particular because of the equity-type nature of the financing provided by the Fund and the additional risk related to SME financing. The EIB would not be able to provide such type of financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

The EIB's contribution will help the Fund to reach critical mass. EIB's involvement will expand considerably the investment capacity of the Fund by catalysing further public resources to the benefit of SMEs. The EIB financing is also expected to further stimulate the launch of similar fund schemes supporting SMEs' growth by strengthening the owner's equity.

The Fund Manager is fully owned by a Slovak National Promotional Institution, the Slovak Investment Holding. The EIB provided the best market practice in terms of structuring of the Fund.

The operation is proposed as an EFSI Investment Platform.

Both the Fund and the Fund Manager will be new counterparts for the EIB.

Set of indicators related to the macroeconomic environment

Slovakia - Economic environment

Economic Performance

	SK 2018	EU 2018	US 2018	SK 2001-2007
GDP per capita (EUR, PPS)	24,025.20	30,935.11	43,569.11	17,869.64
GDP growth (%)	4.10	1.96	2.85	6.36
Potential GDP growth (%)	3.02	1.60	2.23	4.95
Output gap (% of potential GDP)	1.46	0.61	0.74	-0.52
Unemployment Rate (%)	5.90	6.60	3.90	15.97
Unemployment Rate (%) - Y/Y change (% points)	-1.60	-0.60	-0.20	-1.22
Bank-interest rates to non-financial corporations (%)	1.75	1.26	--	--
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.13	-0.06	--	--
Investment rate (GFCF as % of GDP) - Total	21.99	20.54	20.84	27.32
Investment rate (GFCF as % of GDP) - Public	3.56	2.85	3.30	3.50
Investment rate (GFCF as % of GDP) - Private	18.42	17.68	17.53	23.81

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Financial service activities, except insurance and pension funding (% of total VA)	3.06	2.94	2.48	2.17	3.21
Employment in Financial service activities, except insurance and pension funding (% of total employment)	1.11	1.12	1.11	1.05	1.45

SME/midcap

	2014	2015	2016	2017	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	36.02	24.74	27.28	34.03	17.54
Availability of Private equity (Thousand euro)	--	--	--	--	67,350,185.55
Availability of Venture Capital (Thousand euro)	--	--	--	--	6,100,548.37

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial cooperations" corresponds to Euro Area average; Country average is the simple average between 2003 and 2007

- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

Other indicators³

Key project characteristics	Expected value at PCR
Start of works	
End of works	
Project investment cost [MEUR]	40.00 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	166.40 MEUR
External EFSI multiplier	5.33
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	0.00 MEUR
Quick start (% of expenditure during 2015-2018) [%]	
Co-financing with national promotional banks [MEUR]	5.00 MEUR
Co-financing with structural funds (ESIF) [MEUR]	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR]	0.00 MEUR
Energy efficiencies realised [MWh/a]	
Climate Action indicator	
Employment during construction - temporary jobs [person years]	
Employment during operation - new permanent jobs [FTE]	

³ For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website. The abbreviation PCR stands for Project Completion Report. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.