



What is InnovFin Emerging Innovators?

InnovFin Emerging Innovators bridges the research and innovation (R&I) investment gap in Moderate and Modest Innovator EU Member States¹ and Horizon 2020 Associated Countries² by improving the availability of risk finance for fast-growing or R&I-driven enterprises, R&I infrastructures, innovation-enabling facilities and other entities. The product is delivered by the EIB or through a financial intermediary via loans and equity-type financing starting at EUR 7.5m.

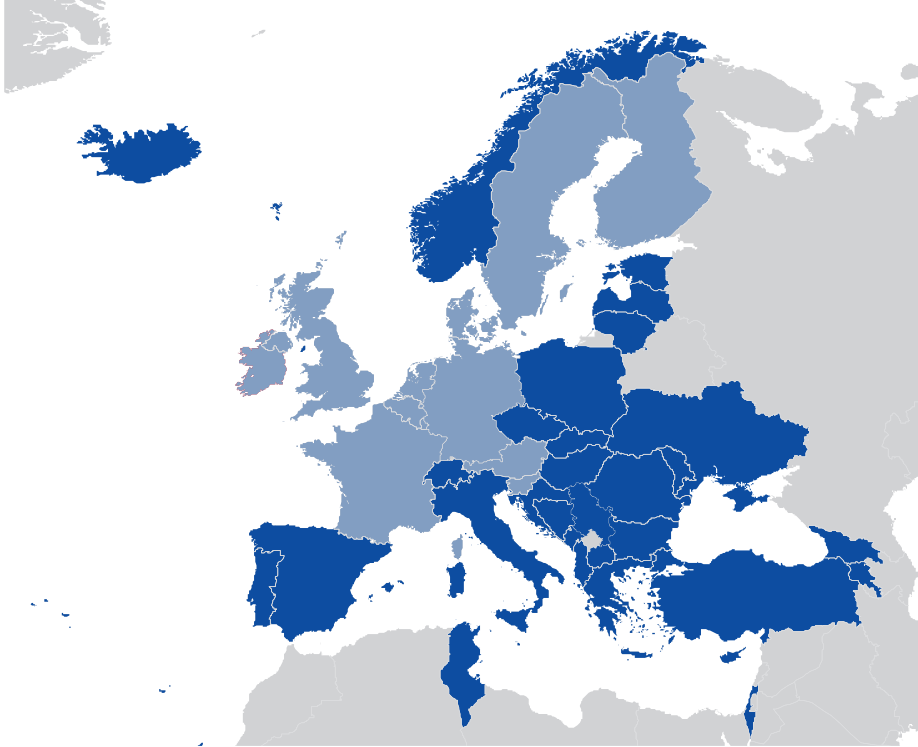
Under Horizon 2020, the EU research and innovation programme for 2014-20, the European Commission and the European Investment Bank Group (EIB and EIF) launched a new generation of financial instruments and advisory services in 2014 to help innovative firms access finance more easily. Until 2020, “InnovFin – EU Finance for Innovators” is offering a range of tailored products which provide financing in support of R&I by small, medium-sized and large companies and the promoters of research infrastructure.

Indicative Term Sheet

Instrument	loans or guarantees provided directly or indirectly via financial intermediaries
Purpose	to partly finance research and innovation activities as well as future investment programmes linked to R&I. This includes: <ul style="list-style-type: none"> • R&I infrastructures or R&I activities (including activities eligible under the EUREKA network or the European Research Area (ERA) as well as the Euratom fission programme) • investment programmes of innovative companies with fewer than 3 000 employees
Target recipients	wide range of entities including companies of all sizes and SPVs
Geographical eligibility	final recipients must be established in either: <ul style="list-style-type: none"> • an EU Member State classified as a Moderate or Modest Innovator by the European Innovation Scoreboard¹ • a Horizon 2020 Associated Country²
EIB financing	from EUR 7.5m However, the amount is typically the lower of: <ul style="list-style-type: none"> • 50% of the total project cost, and • the credit risk limits applicable for the risk profile of the promoter and the operation’s structure
Tenor	usually up to five-to-seven years, possibly up to ten years
Structure	senior, subordinated or mezzanine
Covenants & security	decided on a case-by-case basis
Jurisdiction	transaction-specific
Timeframe	typically six months
Application & inquiries	directly to the EIB; see contact details below

¹ For reference on Moderate and Modest Innovator EU Member States please see the European Innovation Scoreboard at http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards_en.

² For reference on Horizon 2020 Associated Countries please consult http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/3cpart/h2020-hi-list-ac_en.pdf.



Geographic criteria for all counterparties

- Emerging Innovators product coverage
- Other geographies covered by InnovFin

What are the benefits for you?

The EIB:

- ✓ offers longer tenors and competitive pricing (compared to alternative sources of finance);
- ✓ provides a quality stamp and positive signalling effect;
- ✓ does not offer other banking services such as FX, swaps etc. (no competition with the company's main banks);
- ✓ pursues a long-term lending strategy and does not sell its exposures to third parties.

Pre-screening and eligibility checklist

Innovation criteria for SMEs and midcaps

Companies with fewer than 3 000 employees that wish to qualify as innovative companies must comply with **at least one** of the following criteria:

<p>The company should intend to use the EIB financing to produce or develop products, processes and/or services that are innovative and where the business plan indicates a risk of technological or industrial failure, or a business risk; or the company is a “fast-growing enterprise”:</p> <ul style="list-style-type: none"> • its turnover has grown annually on average by over 10% a year over three years; or • its number of employees (full-time) has grown annually on average by 5% a year
<p>the company is R&I-driven or has significant innovation potential:</p> <ul style="list-style-type: none"> • it has spent/invested at least 5% of its annual turnover in R&I; or • it will spend/invest at least 80% of the EIB financing on R&I in the next 36 months (as per business plan); or • it has been awarded grants, loans or guarantees from EU or other innovation funding schemes (such as the “Horizon 2020 programme”; “Eurostars scheme”) in the last 36 months; or • it has been awarded an innovation prize over the last 24 months; • it has registered at least one patent in the last 24 months; or • a private-equity fund or business angel (from a BA network) is a shareholder or invested in the company at the time of its application for the EIB funding; or • it is located in a science, technology or innovation park or technology cluster or incubator (for R&I activities); or • it has benefited from a tax credit or tax exemption related to R&I investment in the last 24 months.

Excluded Activities

Certain specific activities fall outside the scope of EIB financing (available at <http://www.eib.org/about/documents/excluded-activities-2013.htm>). The exclusion and eligibility criteria must be met at the latest at the time of the approval of the EIB loan.