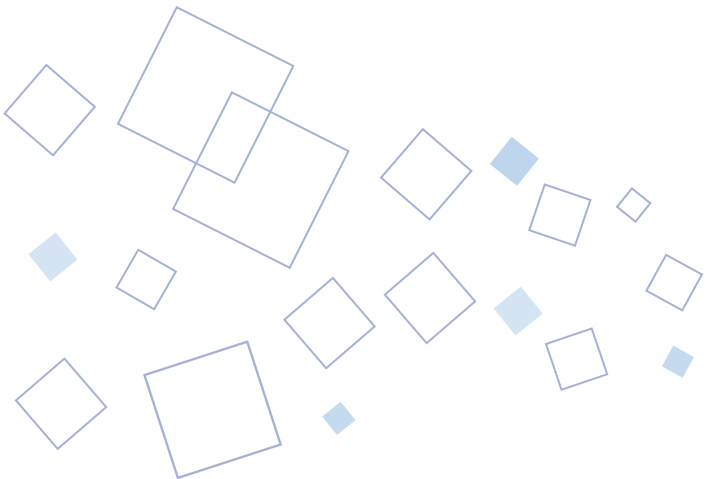


**InnovFin**  
EU Finance for Innovators



# InnovFin

## SME Venture Capital



## What is InnovFin SME Venture Capital?

InnovFin SME Venture Capital is a facility managed by the European Investment Fund (EIF), focusing on investing in early stage enterprises via eligible intermediaries, such as venture capital and business angels funds.

Under InnovFin SME Venture Capital, EIF targets investments in around 30 funds, mobilising a total amount of up to EUR 1.6bn to be invested in enterprises located in the EU-28 Member States and Horizon 2020 Associated Countries (Participating Countries).

InnovFin SME Venture Capital is part of "InnovFin - EU Finance for Innovators", a joint European Investment Bank (EIB) Group and European Commission (EC) initiative under Horizon 2020, the EU framework for Research and Innovation (R&I) for 2014-2020. InnovFin - EU Finance for Innovators offers a range of tailored financing products and advisory services to companies of different sizes ranging from SMEs to large corporations and other entities.

InnovFin SME Venture Capital is a successor to the early stage window of the High Growth and Innovative SME facility ("GIF1") under the Competitiveness and Innovation Framework Programme (CIP) implemented in 2007-2013.

## What kind of financial support does EIF offer under InnovFin SME Venture Capital?

Via InnovFin SME Venture Capital, EIF will primarily invest in venture capital funds and other investment vehicles investing or cooperating with business angels, targeting enterprises which may not yet have started generating revenues from the sale of their product(s) or service(s). This includes companies in their pre-seed, seed, and start-up phases. EIF may also make investments in multistage funds. The investment focus will be with innovative sectors, including life sciences, clean energy and high-tech.

## Which companies does InnovFin SME Venture Capital invest in?

InnovFin SME Venture Capital was created to support early stage enterprises, which play a crucial role in promoting innovation and the creation of growth and employment but which face difficulties in accessing finance.

Via its selected funds, EIF provides risk capital financing to enterprises in their seed and start up stage allowing them to set up and/or reach their next development stage. Potential target companies must be established and operating in at least one of the Participating Countries and shall not be active in any of the EIF restricted sectors.<sup>1</sup>

<sup>1</sup> For guidance on EIF restricted sectors, please visit: [www.eif.org/news\\_centre/publications/2010\\_Guidelines\\_for\\_Restricted\\_Sectors.htm](http://www.eif.org/news_centre/publications/2010_Guidelines_for_Restricted_Sectors.htm)

## What kind of financial institutions are eligible to become intermediaries under InnovFin SME Venture Capital?

To become a financial intermediary, fund managers must fulfil certain criteria, such as:

- Focus the fund's investment strategy on areas covered by the societal challenges and industrial leadership of Horizon 2020 (e.g. life sciences, ICT, clean energy technology) or otherwise promoting technological, non-technological, organisational or social innovation;
- Be based in a Participating Country;
- Provide long-term equity and/or quasi-equity financing;
- Commit to invest at least 50% of the fund's investable amounts into enterprises in the early stage, established and operating in one or more Participating Countries;
- Carry out activities which should not breach ethical principles or contravene EIF restricted sectors.

Further requirements can be found in the Call for Expression of Interest which is publicised on the EIF's website.

## How does the InnovFin SME Venture Capital work?

Through InnovFin SME Venture Capital, EIF invests in selected venture capital and business angels funds that provide funding to enterprises in their early stage. The maximum size of each investment in an eligible financial intermediary is limited to EUR 30m (or equivalent in a foreign currency), and shall not usually represent more than 25% of the total commitments in the financial intermediary at any closing. EIF may invest more than 25% and no more than 50% of the total commitments of an intermediary, only if certain conditions are met, such as:

- an intermediary is focusing on early stage, and
- an EIF investment is made at any closing other than the final closing, and
- a policy fit of an EIF's investment in an intermediary is high as per EIF's assessment.

## How to apply?

Applicants are encouraged to visit the EIF website where the Call for Expression of Interest and the application requirements are published.

An application can be made at any time but must be made at the latest before 31 December 2020, or by an earlier date as notified by EIF on its website, and shall be sent to [EUequityInstrument@eif.org](mailto:EUequityInstrument@eif.org). The EIF will select intermediaries following a commercial and legal due diligence process.

## Information for businesses - How to access EU financing

Businesses can contact selected financial institutions in their country to get access to finance supported by the EU:

[www.access2finance.eu](http://www.access2finance.eu)

Interested funds can find information on how to work with the European Investment Fund on its website at:

[www.eif.org](http://www.eif.org)

### European Investment Fund

37B, avenue J.F. Kennedy  
L-2968 Luxembourg  
☎ (+352) 24 851  
[www.eif.org](http://www.eif.org)

