



# FINANCING SMEs – EIF's EQUITY PRODUCTS

European Investment Fund

# EIF's role in SME risk financing across Europe

20 YEARS IN A NUTSHELL

## RESOURCES

EC

EIB

MEMBER STATES

NPIs

PRIVATE INVESTORS

## SHAREHOLDERS



AAA  
RATING

€4.5bn  
CAPITAL BASE

## SOLUTIONS

EQUITY

GROWTH CAPITAL

VENTURE CAPITAL

TECNOLOGY TRANSFER

SOCIAL IMPACT

DEBT

SECURITISATION

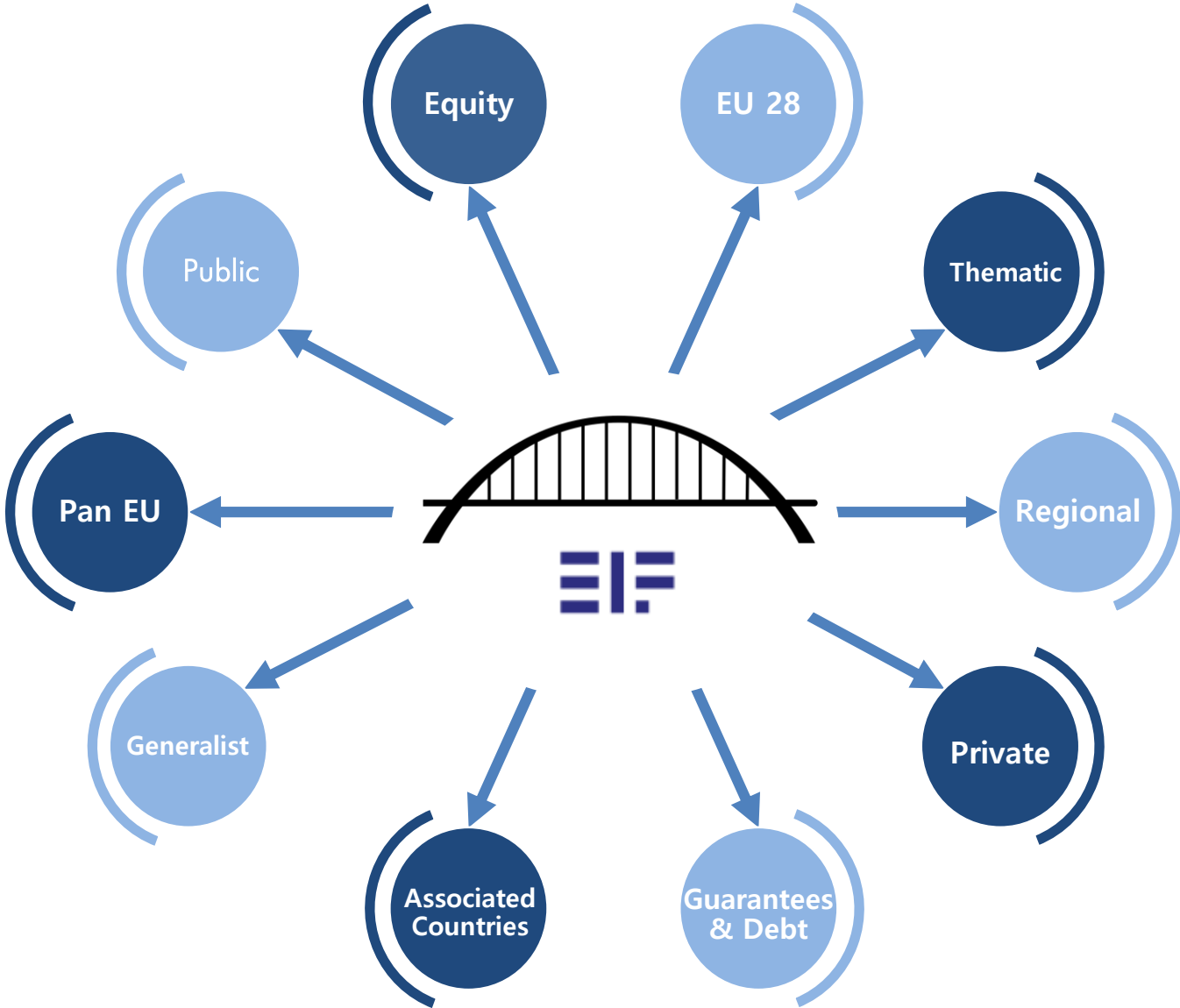
GUARANTEES

MICROFINANCE



# EIF: Where We Play?

WE WORK WITH A WIDE RANGE OF COUNTERPARTS TO SUPPORT SMES



# EIF's Venture and Growth Capital Activity in Europe

ONE OF EUROPE'S LARGEST INVESTORS IN EUROPEAN PRIVATE EQUITY

INVESTED IN  
**800+**  
VC AND GC  
FUNDS

MORE THAN  
**10.000**  
PORTFOLIO  
COMPANIES

MORE THAN  
**400+**  
VC AND GC  
FUND MANAGER  
RELATIONSHIPS

**99%**  
VISIBILITY ON  
EUROPEAN VC  
MARKET

MORE THAN  
**20yrs**  
EXPERIENCE IN  
VC AND GC

OVER  
**€19bn**  
COMMITTED TO  
VC AND GC  
EUROPEAN  
FUNDS

**75**  
DEDICATED  
PROFESSIONALS  
SCOUTING OUT  
ESTABLISHED  
AND NEW TEAMS

**FIRST MOVER**  
IN EUROPE'S  
EMERGING  
MARKETS AND  
SECTORS

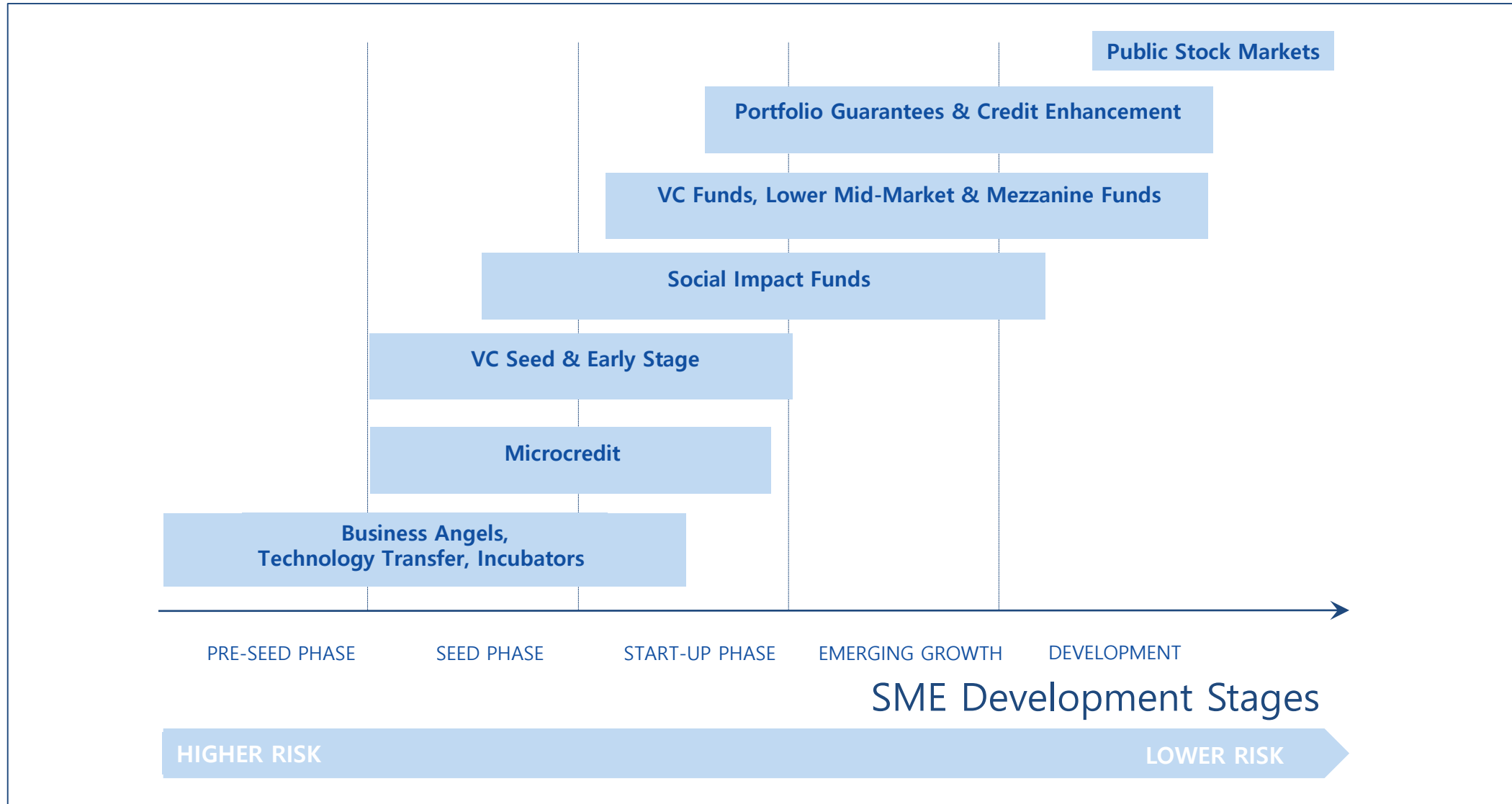


# EIF's EQUITY PRODUCTS

SUPPORTING THE EUROPEAN ECOSYSTEM

# EIF's Equity Product Range

HELPING BUSINESSES AT EVERY STAGE OF THEIR DEVELOPMENT



# Technology Transfer Investments

BRIDGING THE GAP BETWEEN RESEARCH & MARKET

R&D

Technology Transfer  
"technology IP"

Marketable Product  
"prototype IP"

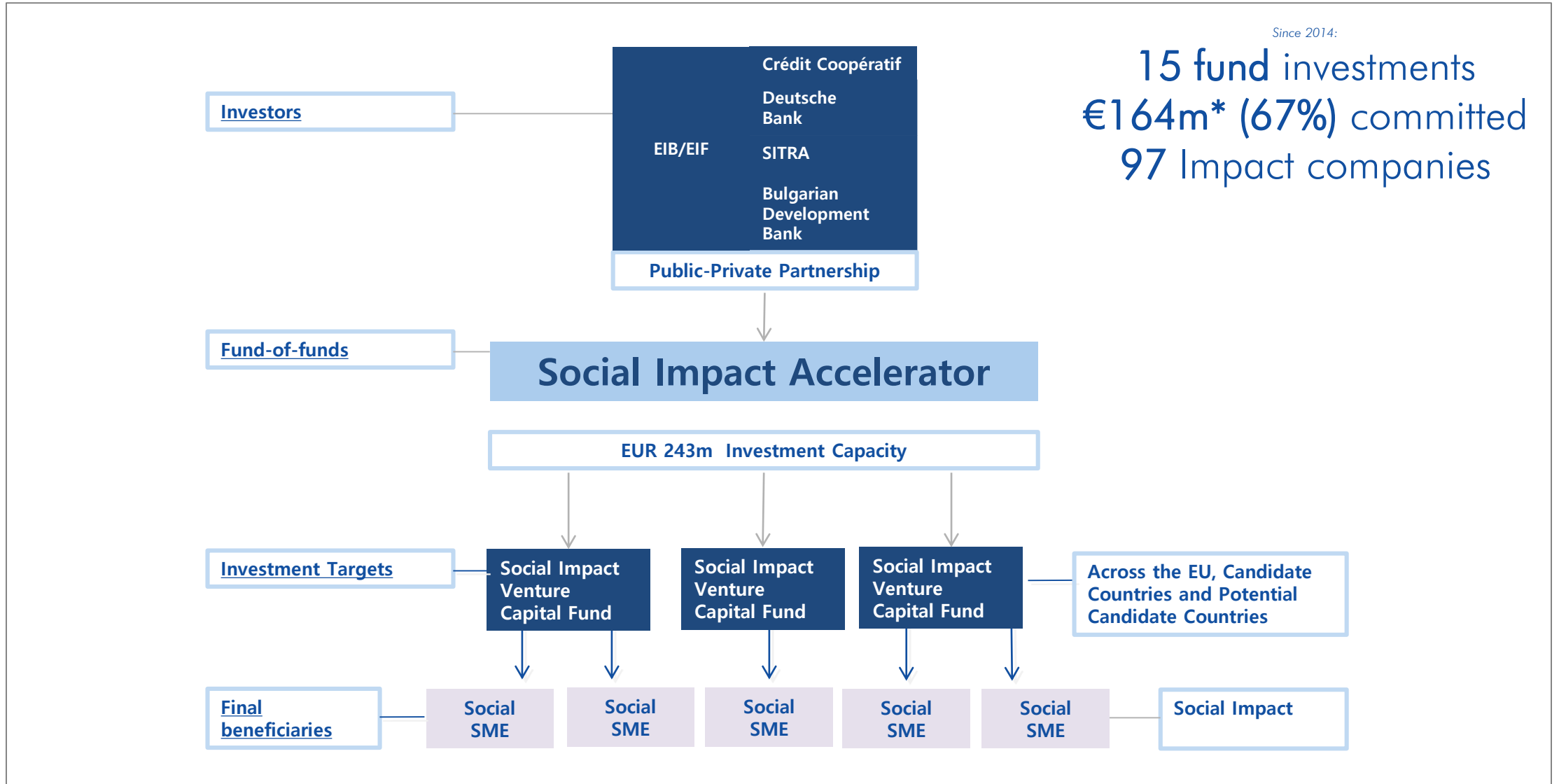
IP / Idea



Spin-out, licensing, collaboration  
(contract research) →

# Social Impact Accelerator (SIA)

## STRUCTURE





# European Angels Fund

## FOR WHO AND WHAT IS IT?

### NON-INSTITUTIONALS INVESTING OWN/FAMILY \$\$\$

- **Business Angels** - individuals or syndicates
- **Family Offices**
- Other private investors

### DOUBLE "FIRE-POWER" AND PORTFOLIO RISK SHARING

- **2x € € € = 50:50 matching BA:EAF**
- **€ 0.25-5m per investor** from EAF
- **3-5 years to invest** and 5 years to divest
- Ability to **build diversified portfolio**

### INVESTORS WITH TRACK RECORD

- **3-5 BA investments**
- At least **1 relevant successful exit** (BA or entrepreneurial)

### INVESTMENT STRATEGY SET BY BAs

- **Tech focus**
- No specific deal size
- Innovative **start-ups and scale-ups** (broadly defined)



# European Angels Fund

## HOW DOES IT WORK?

### ESTABLISH Intermediary WITH EAF

- Vehicle only for joint deals
- Possible to invest alongside BA's vehicles
- **BA sole director**
- Standardized CFA

### 50:50 SPLIT OF ALL JOINT INVESTMENTS AND COSTS

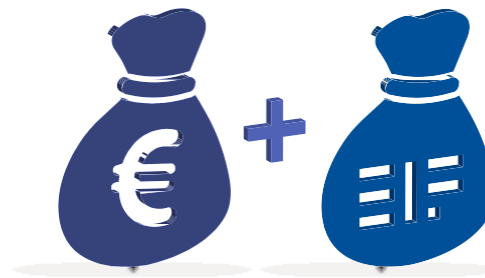
- **50:50 sharing by BA:EAF of:**
  - ✓ Cost of investments
  - ✓ 3<sup>rd</sup> party deal related costs
  - ✓ Admin costs of Intermediary vehicle

### EFFICIENT OPERATION AND GOVERNANCE

- All investments pari-pasu
- **No deal-by-deal review by EAF**
- Pre-agreed investment scope
- **No cherry picking by BA**
- Fast deal-by-deal capital calls
- **Minimal reporting**

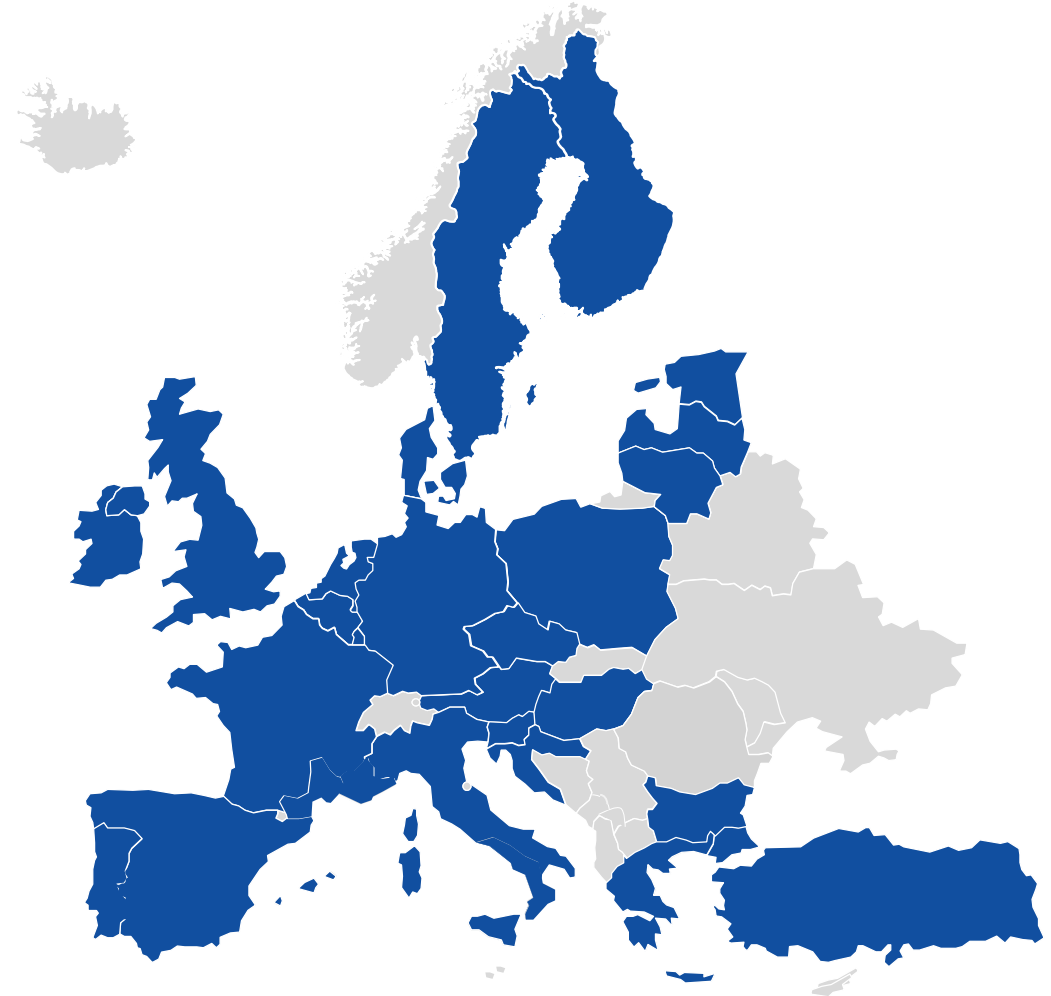
### 60:40 SPLIT OF PROFITS IN FAVOUR OF BA

- **Deal-by-deal split of:**
  - ✓ Proceeds to cover costs of investment 50:50
  - ✓ **Profits 60:40 for BA**
- No preferred return for EAF
- No management fee paid to BA



# EIF-NPI Equity Platform

## MEMBERSHIP



# Relevance of innovation and SME financing

## THE FUTURE OF THE EUROPEAN ECONOMY

- In 20 years, 50% of employment will be in jobs that do not exist today
- 80-90% of job creation by SMEs is realised by less than 10-20% SMEs

- Multiple success stories

 ROVIO

 SUPERCELL

 UpCloud

 M-Files®

**CHANGE  
AHEAD**

The World Economic Forum estimates that **65 percent of children entering primary school** today will ultimately end up working in completely new job types that don't yet exist.

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