



SME support opportunities through the European Investment Bank

Auvo Kaikkonen, Senior Life Science Specialist, EIB
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EIB at a glance

- **The EU bank:**
 - Established in 1958
 - Shareholders are the 28 EU Member States
 - Around 90% of lending within the EU
- **World's largest international financial institution:**
 - Largest multilateral lender
 - Largest multilateral capital markets borrower
 - Primarily focused on EU but with large operations outside
- **Solid credit fundamentals:**
 - AAA-rated by three major rating agencies
 - Favourable borrowing conditions passed on to clients

Total investments supported in 2017: EUR 250bn

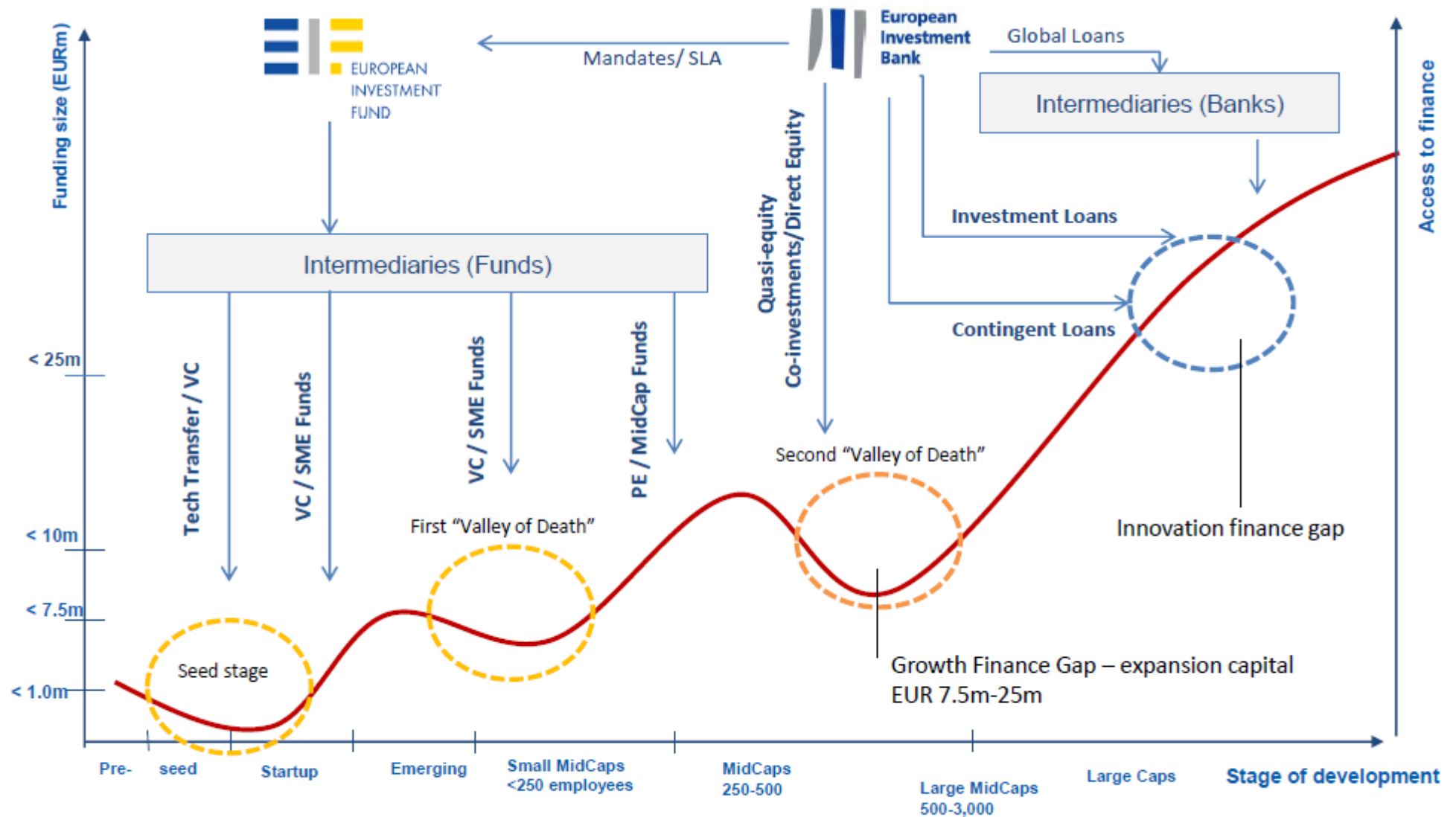
Lending volume in 2017: EUR 78.2bn

Capital markets funding in 2017: EUR 56.4bn

- **Key lending priorities (2017 levels of investments – EIB Group):**

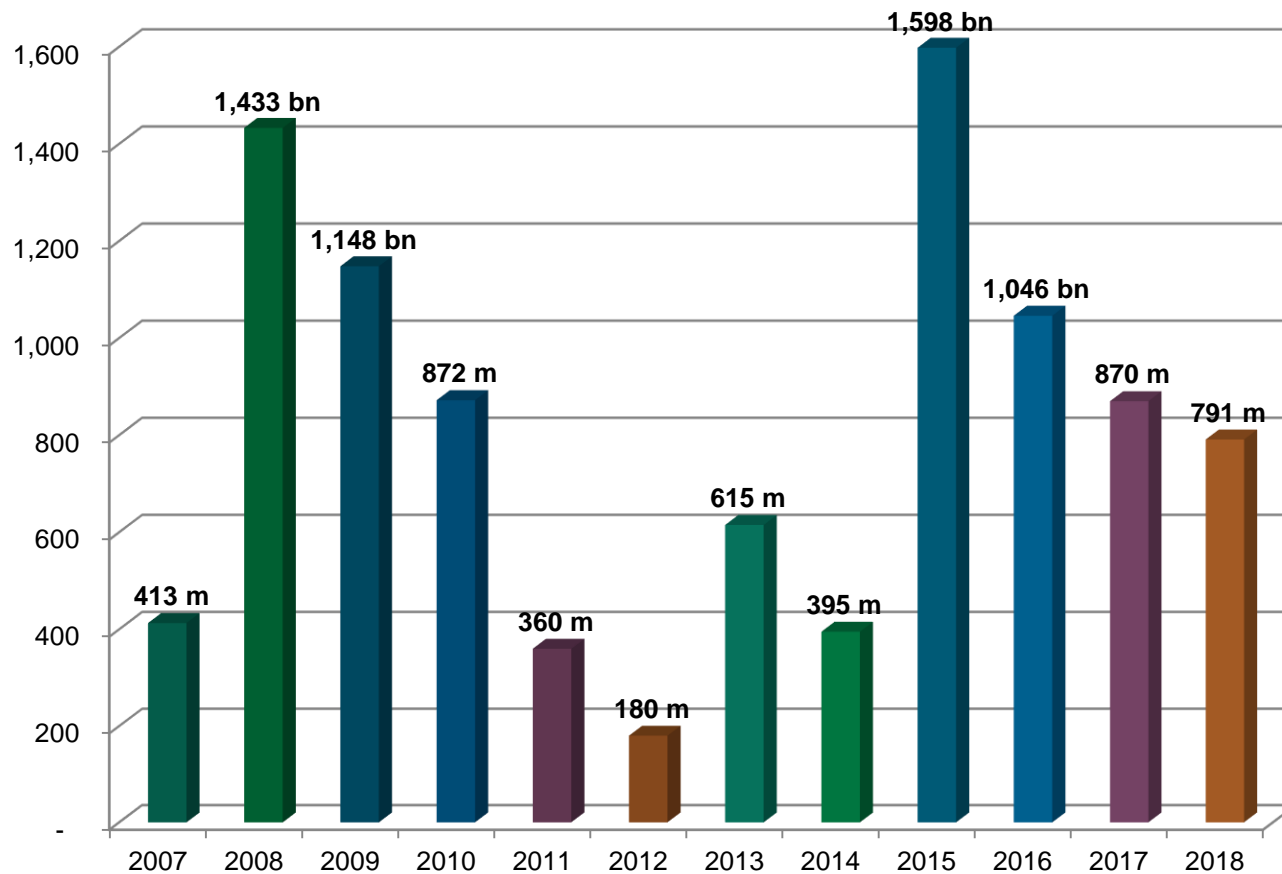


EIB Group products – covering the entire cycle of a company's development



Since 2007, EIB has invested EUR 9.7bn in life sciences

Annual Lending in Life Sciences 2007-2018



From 2007 to 2018, the Bank's investments in the sector reached **EUR 9.7bn**, averaging EUR 810m per year

EUR 9.2bn used for projects within the EU

InnovFin Programme overview



EUROPEAN INVESTMENT FUND		European Investment Bank <i>The EIB bank</i>			
Early-Stage Enterprises	SMEs	Corporate	Science	Thematic Finance	Advisory
InnovFin Technology Transfer	InnovFin SME Guarantee	InnovFin Emerging Innovators	InnovFin Science	InnovFin Energy Demo Projects	InnovFin Advisory
InnovFin Business Angels		InnovFin MidCap Guarantee		InnovFin Infectious Diseases	
InnovFin Venture Capital		InnovFin Corporate Research Equity		InnovFin Thematic Investment Platforms	
InnovFin Fund-of-Funds					
Early-Stage Enterprises, SMEs and Small Midcaps < 500 Employees	SMEs and Small Midcaps < 500 Employees	SMEs, Midcaps, Large Caps, SPVs	Research Institutes, Universities, Research Organisations	SMEs, Midcaps, possibly Large Caps, SPVs	Public and Private Sector Promoters
Intermediated Equity Financing	Intermediated Debt Financing	Direct and/or Intermediated Financing (including equity type)	Direct Financing (including equity type)	Direct and/or Intermediated Financing (including equity type)	Financial Advisory

Note: *InnovFin Large Projects* succeeded by *InnovFin Emerging Innovators*, *InnovFin MidCap Growth Finance* to be deployed in the future under the European Fund for Strategic Investments (EFSI)

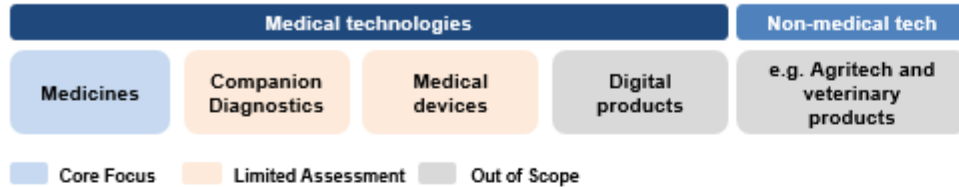
Direct products

Indirect products

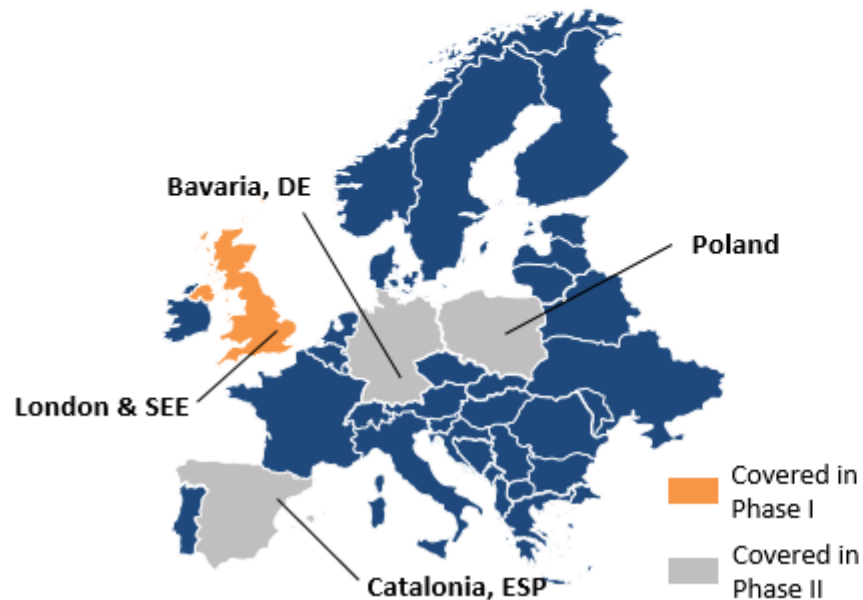
Direct or Indirect products

Horizontal activity example: Life sciences

Scope of work



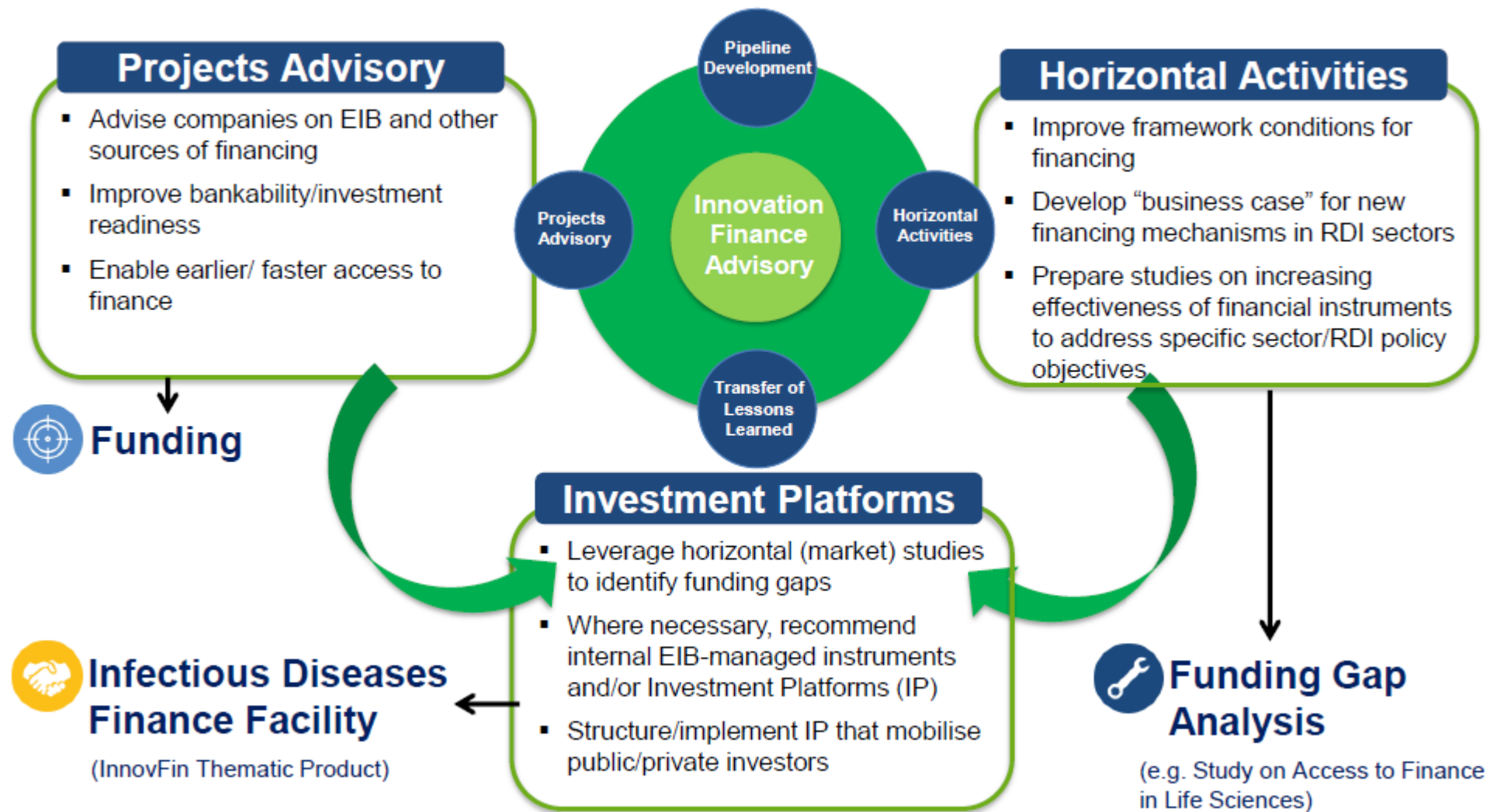
This study focuses on three of Europe's largest bioclusters - Bavaria, Catalonia & UK and one developing biocluster (Poland)



Key themes / assumptions

- A lack of funding is limiting the growth of European life sciences R&D
- Current funding instruments do not meet all the needs of life science innovators
- For life science SMEs, this presents a range of strategic and operational issues
- Novel financing providers and mechanisms are emerging, however, they alone are unlikely to be sufficient in driving a step change
- European institutions could play a valuable role in driving catalytic change for the life sciences market
- Call for more “patient” investment models








Innovation Finance Advisory (IFA) overview



IFA's portfolio of Horizontal Activities

Our studies lead to the creation of new financial products, while proving to be an effective outreach and sourcing tool

Published


EARTO **Life Sciences** **Digital Economy II**








Transport **Circular and Bio-economy** **KETs I & II**

New financial product to address identified, thematic funding gaps

InnovFin Infectious Diseases Finance Facility



- Standard debt to quasi-equity for amounts typically between EUR 7.5 million and EUR 75 million
 - Targeting developers of innovative vaccines, drugs, medical and diagnostic devices or novel research infrastructures for combatting infectious diseases
- 
- Portfolio as of Nov-17: EUR 125m with additional c. EUR 150m under review

Circular Bioeconomy Investment Platform

In process of being set up (Q3-4 2018 target date for tender)

Ongoing
Space **European Innovation Council** **5G**




Agri-Food **Renewable energy**



Access-to-finance for Gender **Digital Economy**



IFA prepared the group for the Infectious Diseases Financing Facility (IDFF)

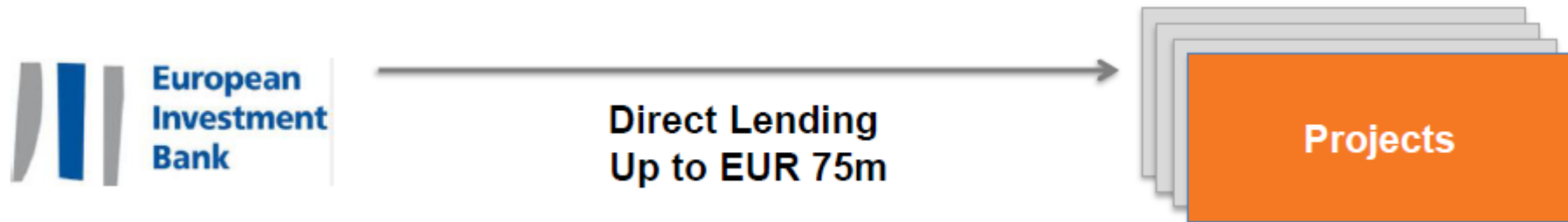
Project advisory to finance portfolio of TB vaccines

Horizontal activity on access-to-finance for ID R&D

Development of new InnovFin product, the IDFF

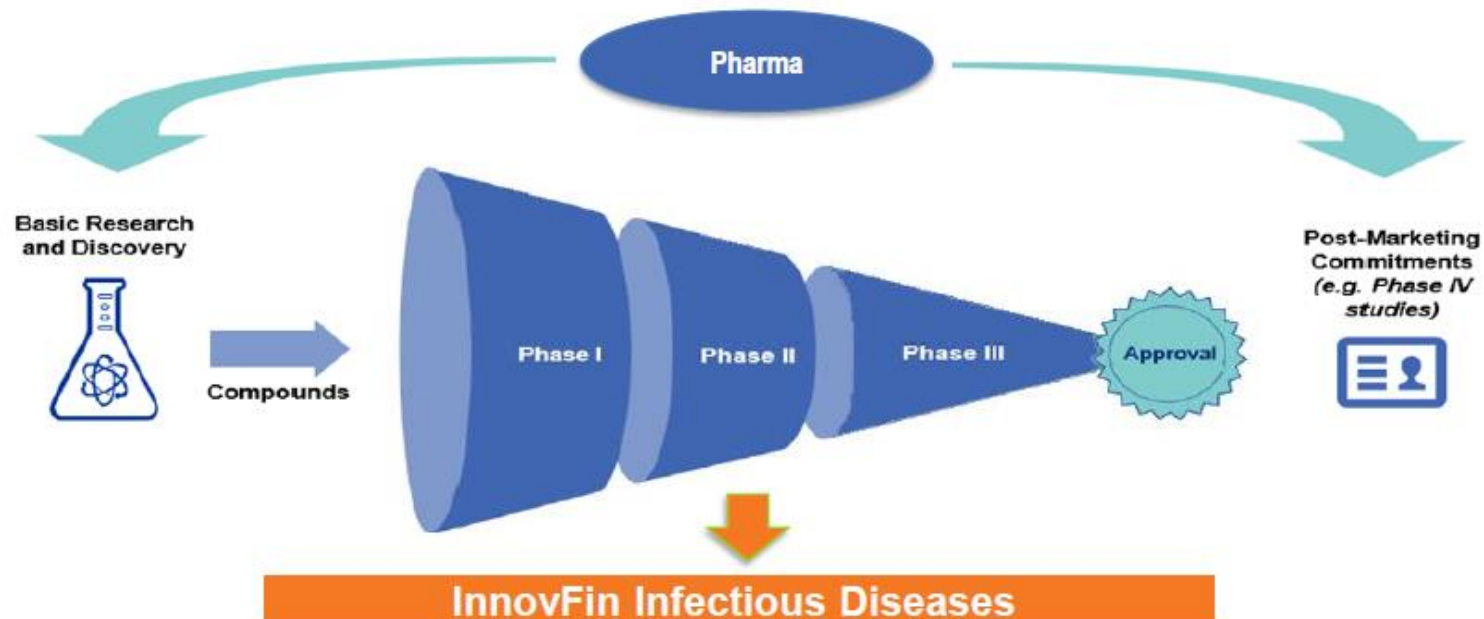
Project advisory support to mobilise public and private capital

How does InnovFin Infectious Diseases work?



- Broad range of products – standard debt instruments (i.e. senior, subordinated and mezzanine) to risk sharing instruments (RSL) with forgiveness options
- EIB can only finance 50% of project costs
- Comprehensive due diligence (legal, financial, technical, etc.)

How does InnovFin Infectious Diseases work?



- Review of all Promoter's Infectious Diseases R&D activities
- Definition of risk-sharing portfolio (entire portfolio or sub-set of the most promising compounds incl. at least 5-10 different streams to diversify risk)

Which projects can be supported?



- Projects which have passed pre-clinical stage and for which clinical validation is needed for further development
- Loan amount: **min EUR 7.5m, max EUR 75m**
- Loan maturity: **up to 7 years**
- Currency: **EUR and local currency**
- Pricing: **commensurate to the risk incurred**



Thank you

Auvo Kaikkonen • Senior Life Science Specialist
a.kaikkonen@eib.org

www.imi.europa.eu

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