



EIB Group support for the EIC



Presentation to ANI – Portuguese National Innovation Agency June 25th 2020



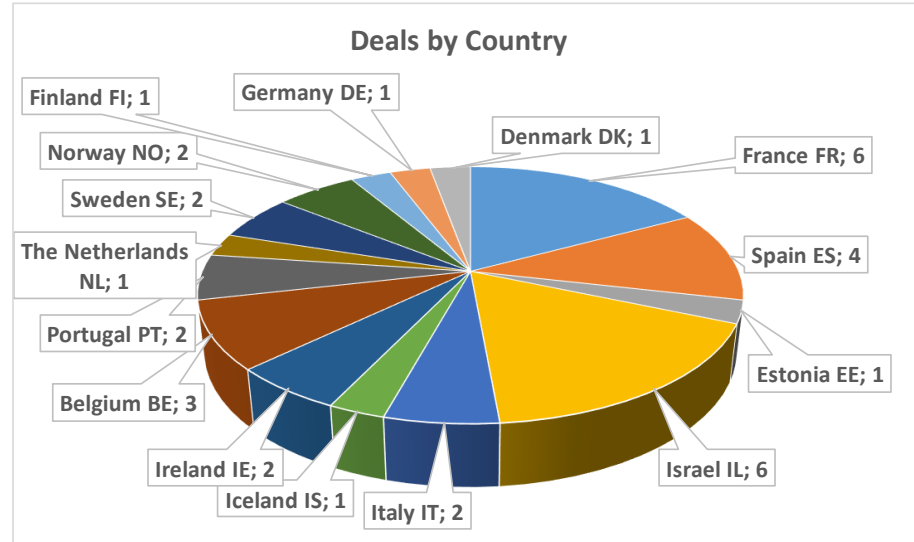
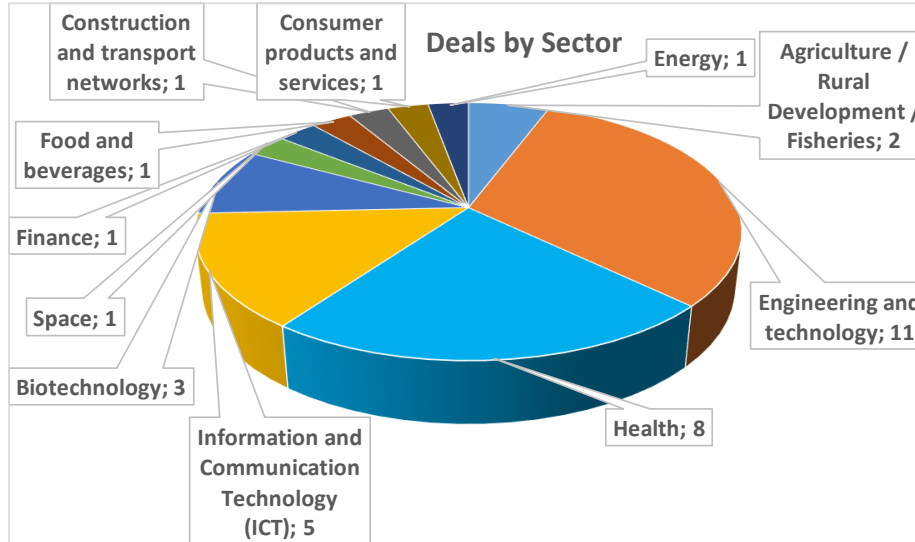


- 1st Call November 18th-22nd 2019
 - 35 blended financing (Eur 128.1m potential equity commitment) selected of which:
 - 100% contacted by the EIB advisory team
 - 100% Due Diligence Questionnaires sent
 - Term sheets already drafted and ready to be sent to EIC Fund (some of them have been already preliminarily agreed with the target companies)

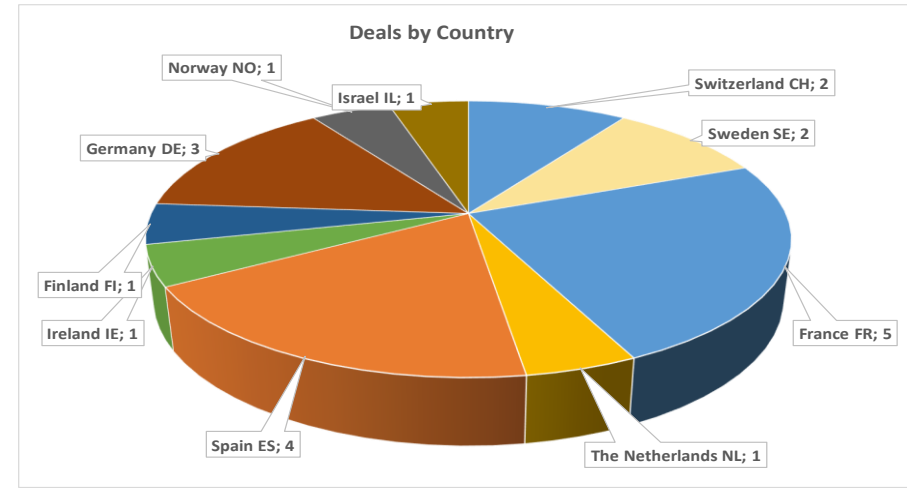
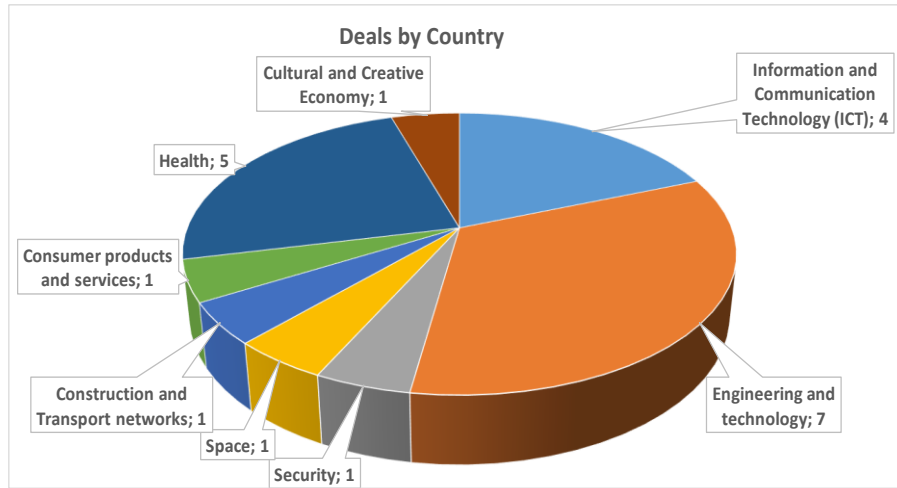
- 2nd Call February 17th-21st 2020
 - 21 blended financing (Eur 96.9m potential equity commitment) selected of which :
 - 100% contacted by the EIB advisory team
 - Due Diligence Questionnaires sent

- 3rd Call May 2020
 - 46 blended financing (Eur 174.4m potential equity commitment)

- By Q3 2020, once the EIC Fund has been established, all the final recommendations from EIB for the first and second call should be approved by the EIC Fund



- Information & technology, Health and Engineering sectors represent circa 70% of total deals approved
- Good geography diversification
- Key issues currently faced during the appraisal process:
 - The pandemic crisis is impacting some companies' investment plans
 - In light of the above some companies show different business plans to be further assessed
 - Some selected companies received term sheets from US players where it was requested to move IPs to outside EU against the EIC rule and purpose (at the moment they refused them in order to be still compliant with EIC Fund)
 - Brexit had an initial impact since 5 companies were not considered anymore eligible (not included in the 35 above)



- Information & technology, Health and Engineering sectors still represent circa 70% of total deals approved
- France, Germany and Spain together represent circa 55% of the total deals approved
- At the moment no particular issue has been noted since most of the due diligence questionnaires sent have not been returned as filled in



Example of Term sheet (1/2)



- Other parties to the agreement: Potential Co-Investors
- Total amount: up to EUR 4,500,00 invested as follow:
 1. Tranche 1 of EUR 1,500,000
 2. Tranche 2 of EUR 3,000,000
- Instrument and main terms
 - First tranche of EUR 1,500,000 to be invested today at a valuation of EUR 4,500,000 pre-money, resulting in a 25% ownership for the EIC Fund.
 - Second tranche Upon occurrence of a Qualified Equity Injection of at least EUR 5m from new investors, the Issuer will have the right, but not the obligation, to call a capital injection from the Fund for a nominal amount of EUR 3,000,000. The EIC Fund's investment will tag along on the same rights and valuation with the aforementioned investors.
- Commitment fee 1% per year of the committed second equity tranche of EUR 3,000,000 until injection or cancellation
- Purpose to finance EUR 17,900,000 investments
- Adherence to the SHA
- Representations: Market standard – similar of those released to the current investors
- Information undertakings: Half year financial statements
- Miscellaneous provisions:
 - Board nomination rights: YES (TBC)
 - Board observer: YES (TBC)



Example of Term sheet (2/2)



- Other parties to the agreement: Potential Co-Investors
- Up to Euro 15 million to be invested as follows:
 1. Equity investment of EUR 10,000,000
 2. Convertible notes of EUR 5,000,000
- Instrument and main terms
 - Q3 2020: EIC Fund equity investment of EUR 10m subject to a minimum investment from a new external independent co-investor investing at least EUR 1.5m equity. The EIC Fund would invest at the valuation determined by that co-investor;
 - EIC Fund convertible notes of EUR 5m available to the Company, which can be disbursed at the Company's request within 1 year after signature. The convertible notes would be converted upon the next Qualified Round with a 20% discount to the Qualified Round valuation. If no such Qualified Round was to occur before the convertible notes' maturity, these would automatically convert at the valuation of the Q3 2020 round.
- Commitment fee TBD
- Purpose to finance EUR 85,000,000 investments
- Adherence to the SHA
- Representations: Market standard – similar of those released to the current investors
- Information undertakings: Half year financial statements
- Miscellaneous provisions:
 - Board nomination rights: YES (TBC)
 - Board observer: YES (TBC)
 - Decision veto rights: applicable (TBC)