



Supporting Innovation in Slovenia

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Welcome addresses:

Sabina Koleša

*Director General, Ministry of Economic Development and
Technology*

Sibil Svilan

*President and Member of the Management Board, SID
Banka*

László Baranyay

Vice-President, European Investment Bank (EIB)



Overview of the EIB Group financing options

Marguerite Mc Mahon
*Head of Division,
Adriatic Sea Department, EIB*

Stefano Bragoli
*Structured Finance Manager,
European Investment Fund (EIF)*

The EIB Group



providing finance and expertise for sound and sustainable investment projects



Leading developer of risk finance to benefit innovative SMEs

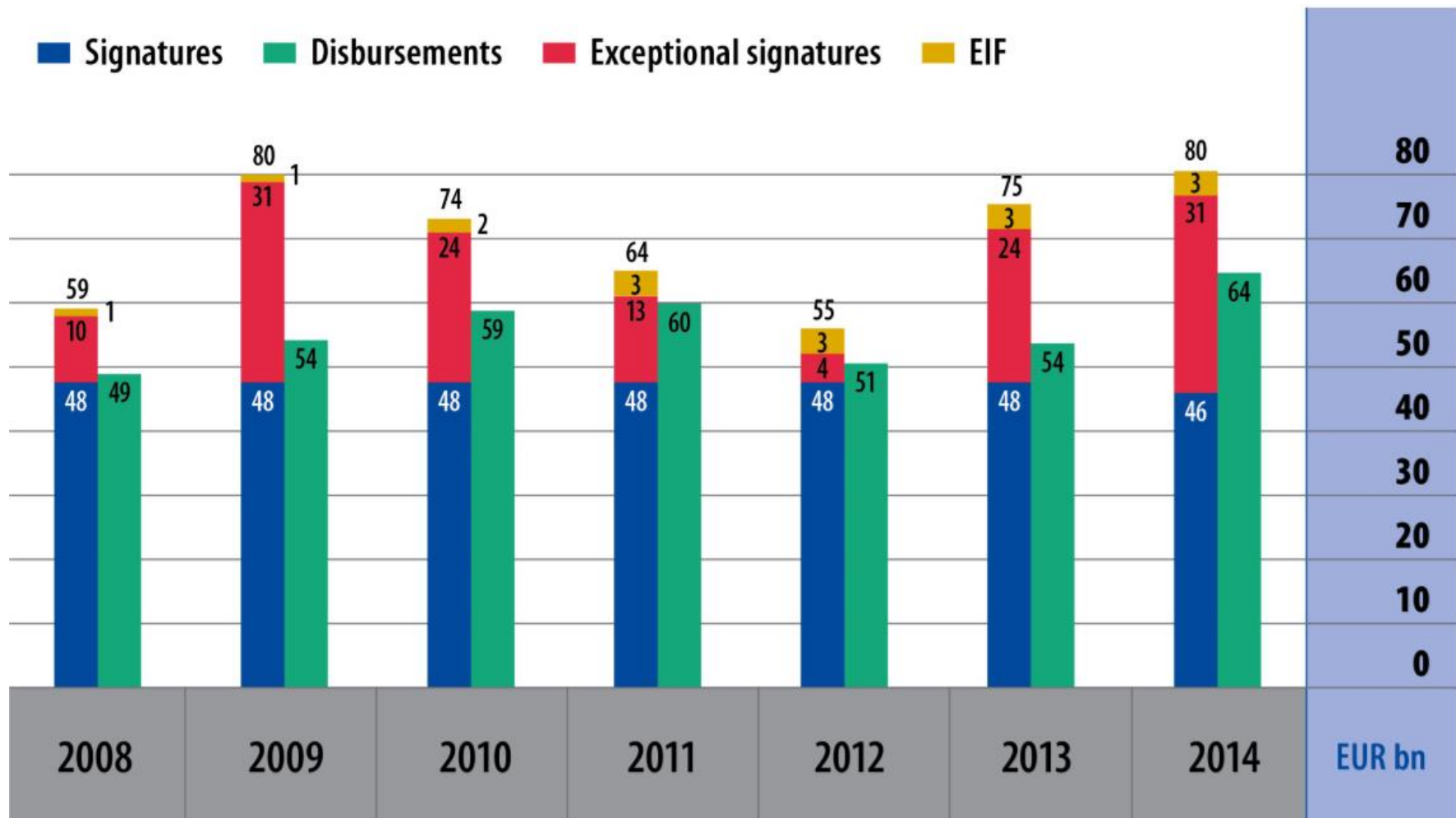
The European Investment Bank at Glance

- Policy driven EU long term financial institution, created by the Treaty of Rome, share capital held by 28 member states, rated AAA
- Largest multilateral lender and borrower in the world
- Raises funds on the international capital markets
- Passes on favourable borrowing conditions to clients
- Some 440 projects financed each year in over 160 countries
- More than 90% of lending is inside the EU
- Headquarters in Luxembourg and 30 local offices
- Around 2 400 staff:
 - Not only finance professionals, but also engineers, sector economists and socio-environmental experts
 - More than 50 years of experience in financing projects

EIB Group Track Record: almost EUR 500bn lent since 2008



A Strong Response to the Crisis



Our Products

We help catalyse investment

LENDING	BLENDING	ADVISING
<p>Loans But also:</p> <p>Guarantees (trade financing)</p> <p>Equity participation</p>	<p>Combining EIB finance with EU budget (Project Bond Initiative)</p> <p>Higher risk projects for innovation (InnovFin)</p>	<p>Prepare, evaluate and support the implementation of projects (JASPERS)</p> <p>Support for public / private partnerships (EPEC)</p>

Attracting FUNDING for long-term growth

Financing Facilities – Standard Products

- SME, midcap and multi-beneficiary loans (investment cost < EUR 25m)
 - Small and medium-scale projects (particularly to SMEs and small infrastructure) via national and regional intermediary banks
 - Lending decision remains with the financial intermediary

- Midcap growth finance for innovative SMEs and midcaps (investment cost < EUR 50m), direct LT debt and mezzanine finance EUR 7.5m – EUR 25m

- Large-scale projects (investment cost > EUR 25m)

Project Requirements

All projects must :

- ✓ Meet at least one of the EIB's objectives
- ✓ Be technically sound
- ✓ Be financially viable
- ✓ Show an acceptable economic return
- ✓ Comply with EU environmental protection and procurement regulations

SMEs and Midcaps – A Lending Priority

- Loans for SMEs and midcaps are provided through the banking system
- List of EIB intermediaries on EIB website
- Terms applied (tenor, amortisation period, interest rate and security) are determined by the intermediary
- SME (up to 250 employees), midcap (up to 3,000 employees), all economic sectors financed with limited exceptions such as arms, gambling, tobacco, real estate etc)
- Up to 100% financing of investments, incl R&D;
- MLT loan or leasing to finance an asset;
- Financing of permanent working capital;
- Transparency in the utilisation of EIB funds and requirement to transfer a significant quota of the financial valued added to the SME;
- Additionality requirement

EIB in Slovenia

Loans for SMEs and small infrastructure have financed some 4,000 small and medium sized projects in Slovenia between 2008 and 2014 for EUR 700m supporting some 100,000 jobs with an average loan size of EUR 170,000.

Transport: financing of highways, Port of Koper and railways

Energy: financing of electricity generation and transmission and gas transmission

Loan to **co-finance** investments supported by EU structural funds 2007-2013 and new facility for 2014-2020.

What is the EIF?

“ We provide **risk financing** to stimulate entrepreneurship and innovation in Europe ”



Making
finance more
accessible and
helping SMEs to
innovate and grow

Offering
a large array of
targeted products
to support **SMES**
ranging from
venture capital to
guarantees and
microfinance to
SMEs

Working
with financial
intermediaries
across the **EU-28**
EFTA countries,
candidate &
potential candidate
countries

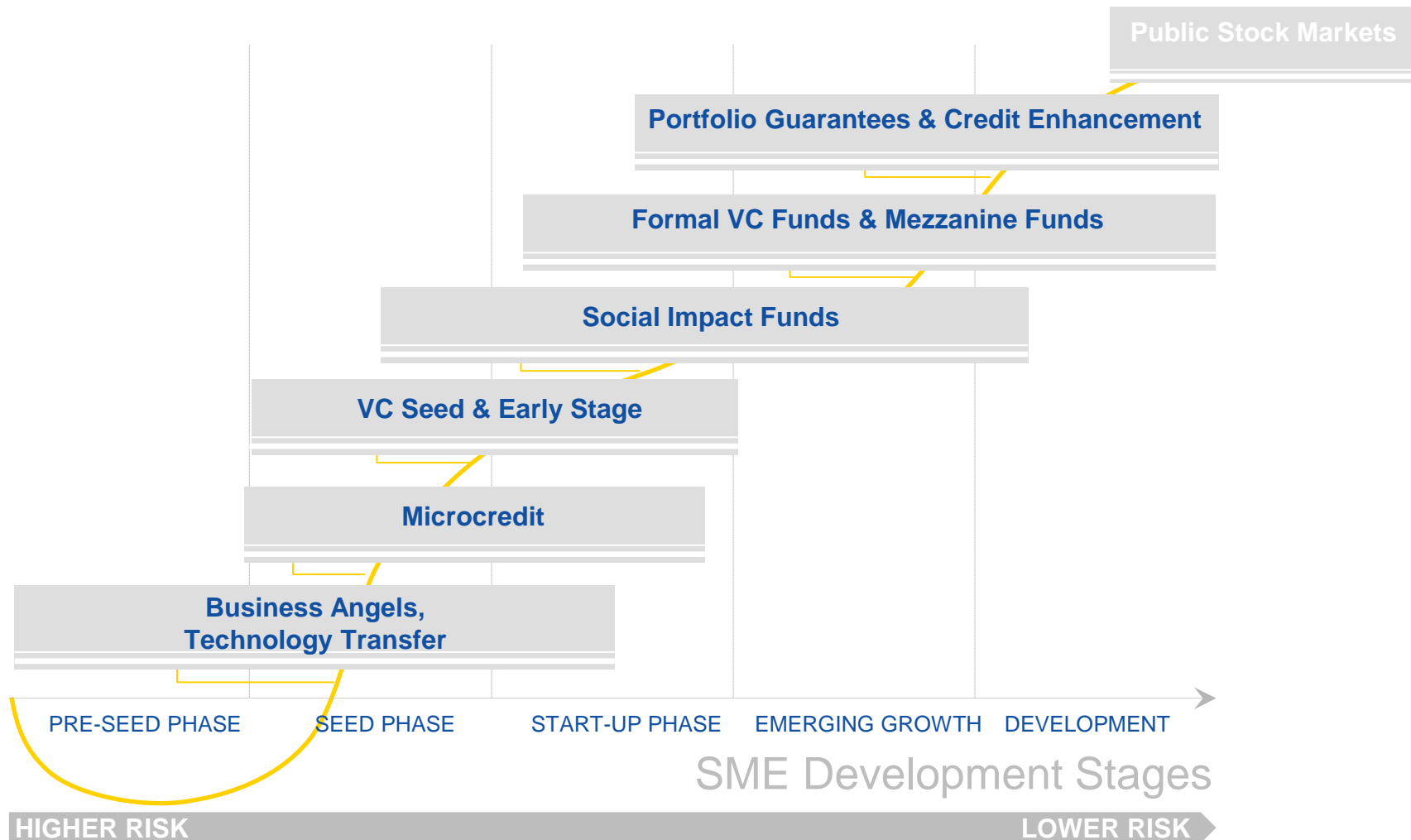
Supporting
the market in a
countercyclical
way

EIF's Counterparts

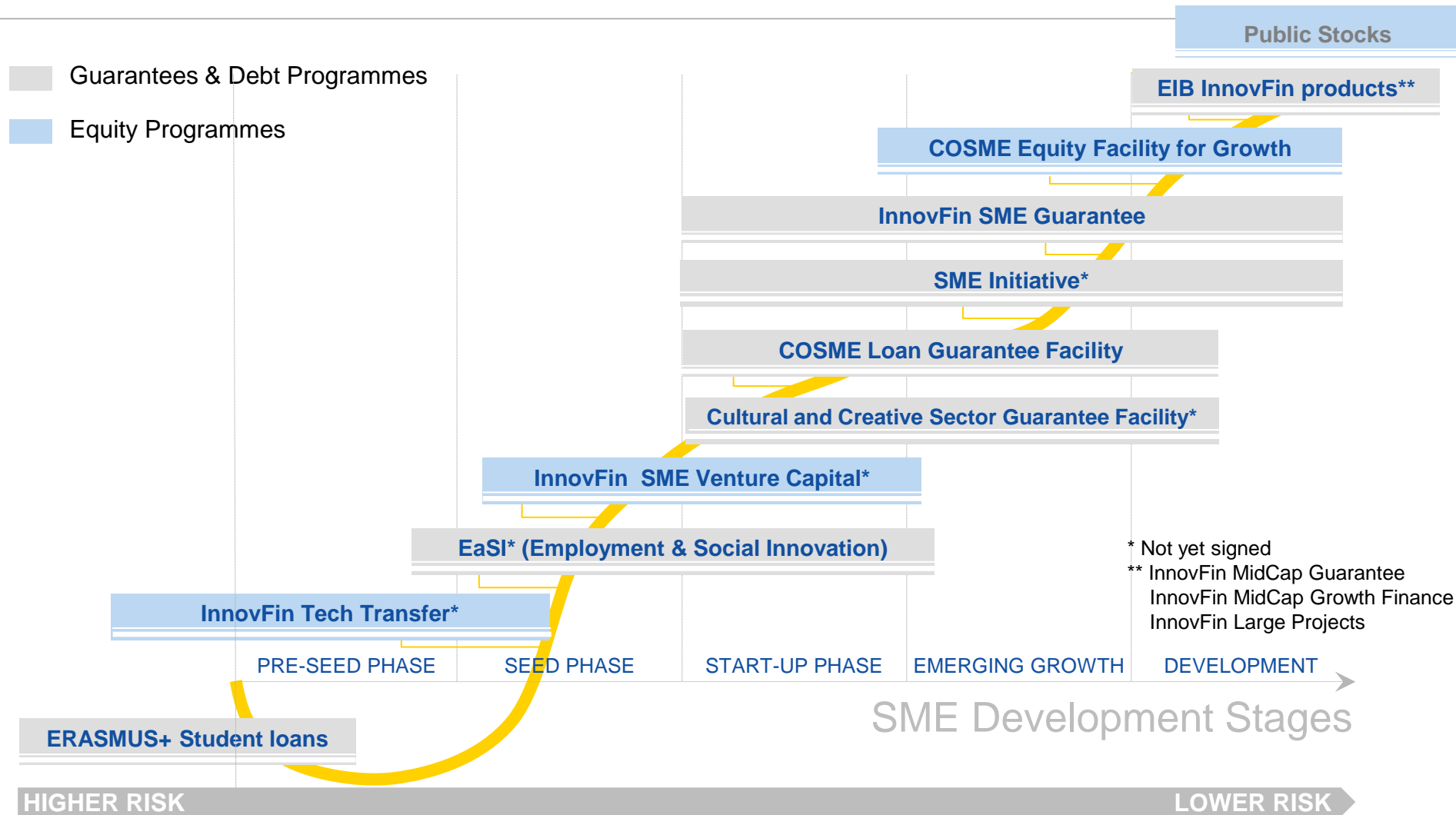
“ We work with a wide range of counterparts to support SMEs ”



Helping Businesses at every Stage of their Development



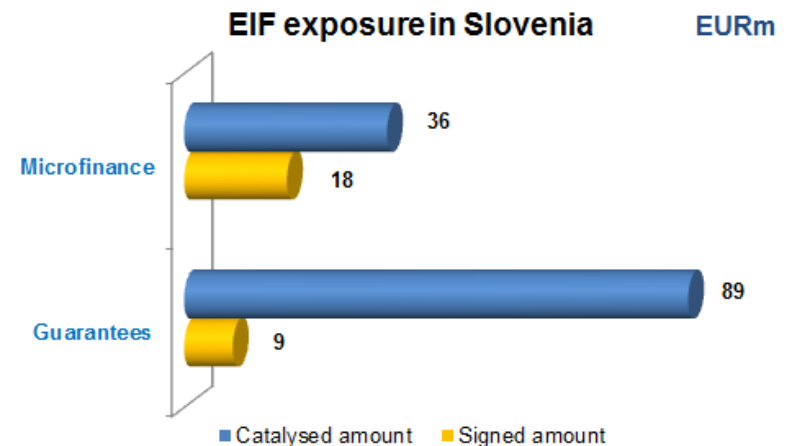
New EU Programmes helping Businesses at every Stage



EIF's Exposure in Slovenia

“ Notable success stories exist both in **Guarantees** and **Microfinance** and we are open and ready for more to come... ”

- First EIF operation in Slovenia: **2004**
- 4 financial partners and guarantee providers



Guarantees & Microfinance transactions in Slovenia



SKUPAJ DOSEGAMO VEČ



Objectives and Opportunities of the InnovFin Programme

Patrick McCutcheon

*Senior Policy Officer, DG Research & Innovation, European
Commission*

Stefano Bragoli

Structured Finance Manager, EIF

Marc D'hooge

InnovFin Programme Manager, EIB

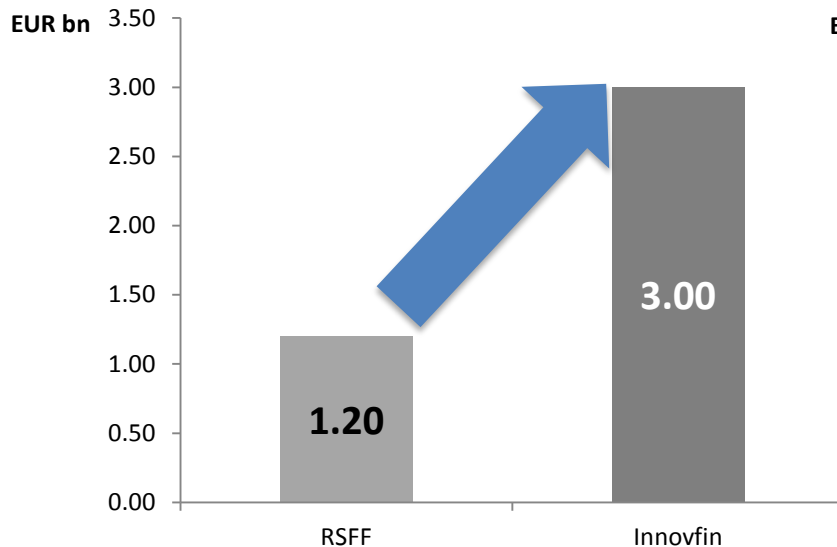
Christine Garburg

Senior Advisor, Innovation Finance Advisory, EIB

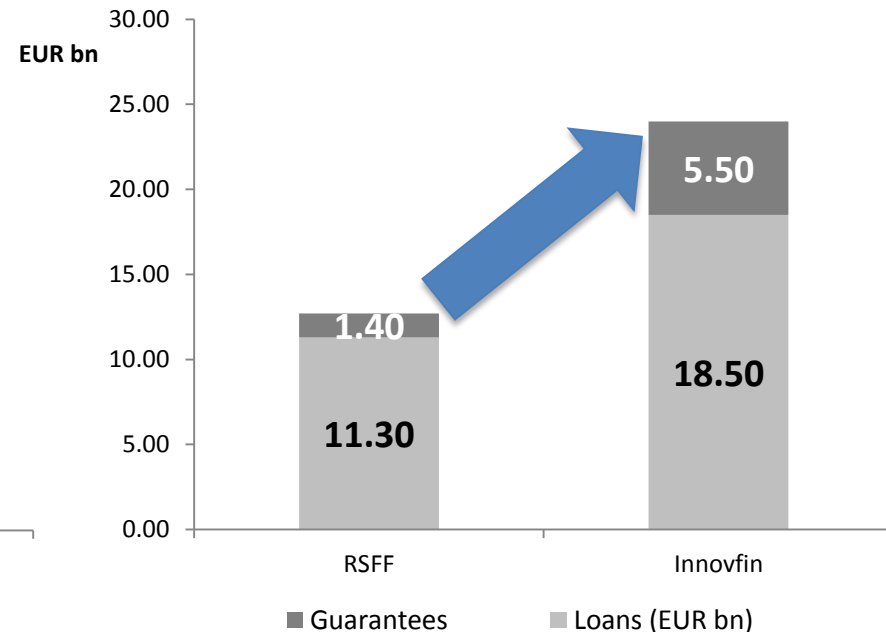
InnovFin: A Quantum Leap

InnovFin builds on the success of RSFF but will be much larger and broader

EU and EIB Group Contributions



Loans and guarantees



InnovFin Product Overview



direct products

indirect products

InnovFin Product Overview



 direct products

 indirect products

InnovFin SME Guarantee

This guarantee instrument covers the risk related to losses of a portfolio

**Up to 50% loss
coverage
(Principal +
Interest 90D)**

**Full Delegation
to Financial
Intermediaries**

**Automatic
Coverage/Inclusion**

**Attractive
Guarantee
Terms**

**Favourable
Capital
Treatment**

**Guarantee
and
Counter-Guarantee**

What Transactions can be supported?

Purpose of Financing: Loans, Credit Lines, Leases and Bonds

**Tangible &
Intangible
Assets**

**Working
Capital**

**Business
Transfers**

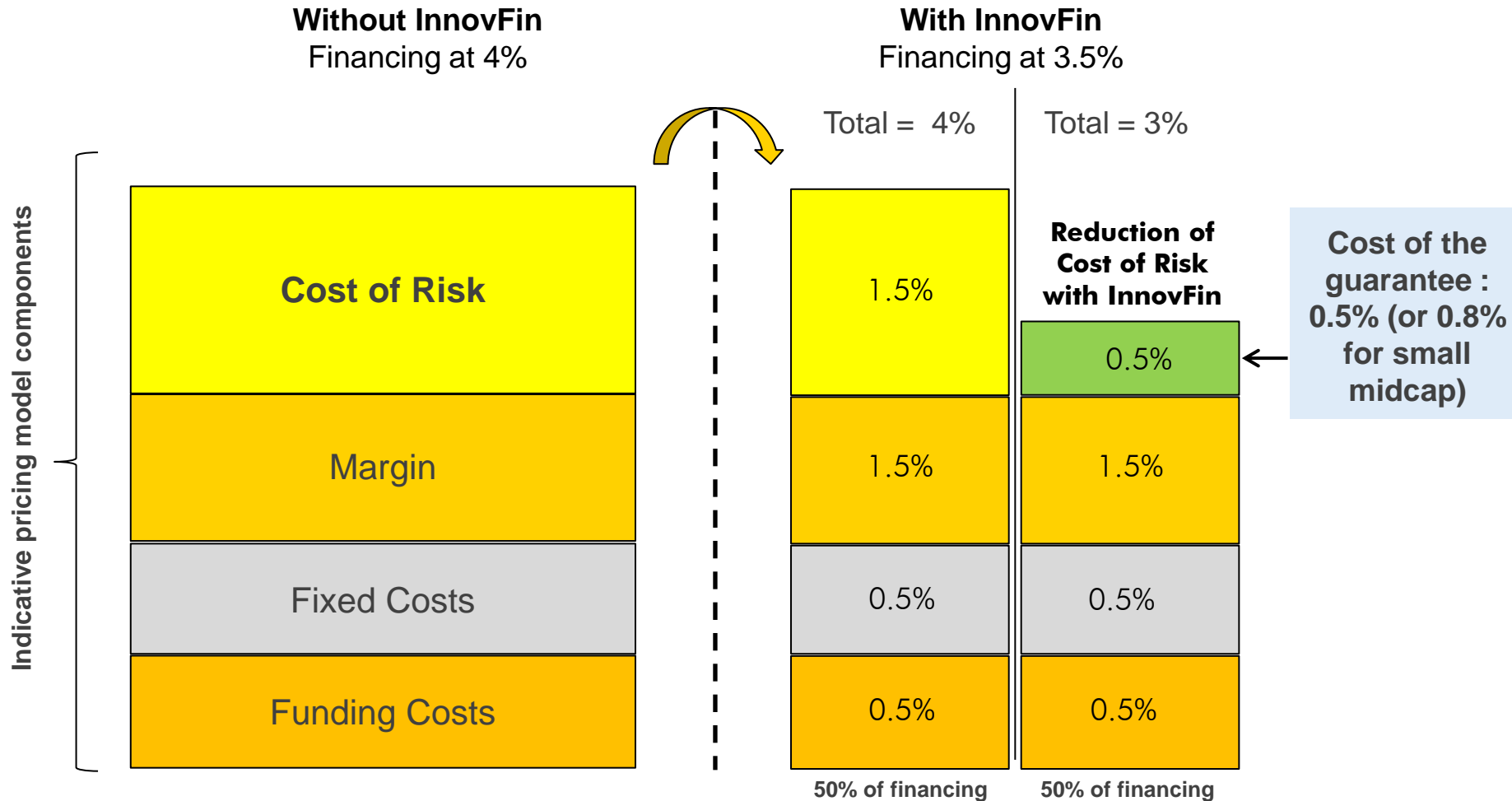
- Loan amount: min **EUR 25k** – max **EUR 7.5m** (only Senior Debt)
- Loan maturity: min **1 year** – max **10 years**
- Currency: **EUR and local currency**
- Max Portfolio: EUR 400m per intermediary – EUR 1bn per intermediary group

Key Guarantee Terms



- Financial Intermediaries are required to transfer the Financial Benefit to SMEs & Small Mid-caps
- Financial Intermediaries are selected on a “first come, first processed” basis

Transfer of Benefit (indicative example)



InnovFin Product Overview

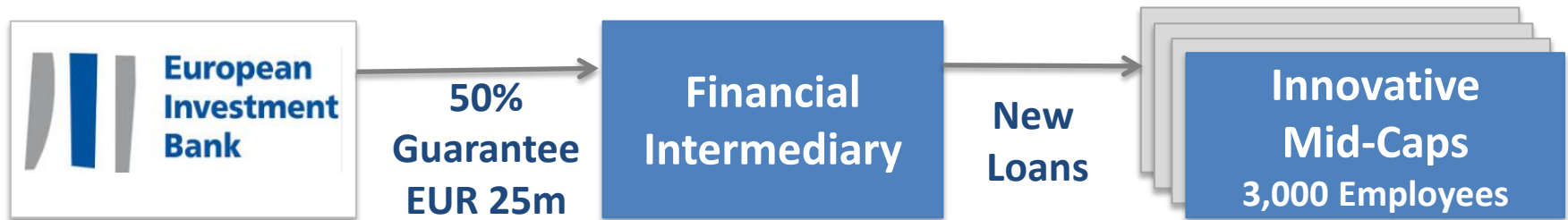


■ direct products

▒ indirect products

Two Products for Innovative Mid-Caps

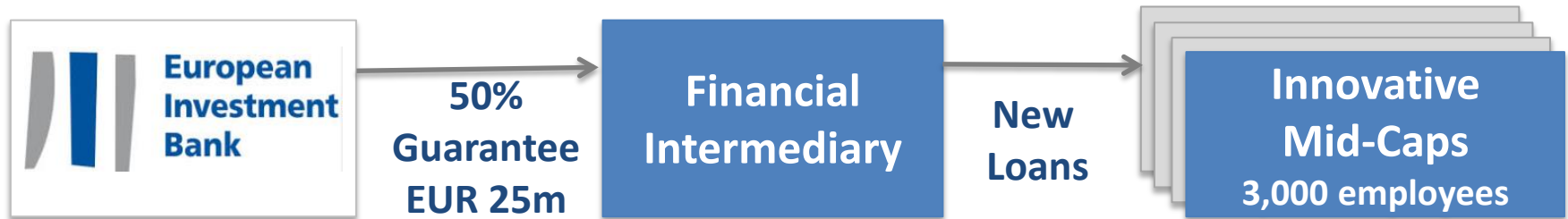
1. Indirect Financing (Risk Sharing) for Senior Loans: Mid-Cap Guarantee



2. Direct Growth Financing (Mezzanine): Mid-Cap Growth Finance



How does the MidCap Guarantee work?



- 50% loss coverage for new mid-cap loans of up to EUR 50m not covered under InnovFin SME Guarantee
- Can be complemented with EIB funding (global loan)
- Pari-passu sharing of risk and pricing
- Full delegation to financial intermediaries
- Favourable capital treatment, English law













How does MidCap Growth Finance work?



- Direct long term debt and mezzanine finance: EUR 7.5m – EUR 25m
- Loans can be structured as economic equity (silent participation)
- For innovative Mid-Caps and SMEs (eligible counterparty concept)
- EIB can finance up to 50% of all investments over 3 years
- Streamlined EIB approval process & English law

MidCap Growth Finance Transactions since Launch

 EVS Broadcast <hr/> EUR 12m <hr/> Term loan 2013	 Marposs <hr/> EUR 25m <hr/> Term loan 2013	 Rovio <hr/> EUR 25m <hr/> Term loan 2014	 Manz <hr/> EUR 20m <hr/> Term loan 2014	 Pharmathen <hr/> EUR 25m <hr/> Term loan 2014	 Welltec <hr/> EUR 25m <hr/> Term loan 2014
 Pramac <hr/> EUR 8m <hr/> Term loan 2014	 Maier <hr/> EUR 7.5m <hr/> Term loan 2014	 eNet <hr/> EUR 12m <hr/> Term loan 2014	 NOVABASE Novabase <hr/> EUR 14m <hr/> Term loan 2014	 Marangoni <hr/> EUR 10m <hr/> Term loan 2014	 SAES <hr/> EUR 10m <hr/> Term loan 2015

Mid-Cap Product Advantages

No crowding out. Complementary finance to house banks

EIB signaling effect to attract other banks & investors (quality stamp)

Long-term lending at attractive terms (no subsidised)

Growth finance without dilution of shareholders

InnovFin Product Overview



How does InnovFin Large Projects work?



- Senior debt (pari-passu with other senior lenders)
- Eligible project required. EIB can only finance 50% of R&D and innovation investments
- Comprehensive due diligence including project due diligence
- EIB standard documentation under English or Luxembourgish law

Large Projects Advantages

Long term loans at attractive terms (pari-passu)

Signaling effect and quality stamp (technical expertise)

Co-financing with house-banks preferred

No cross selling & hold to maturity strategy

InnovFin Product Overview



direct products

indirect products

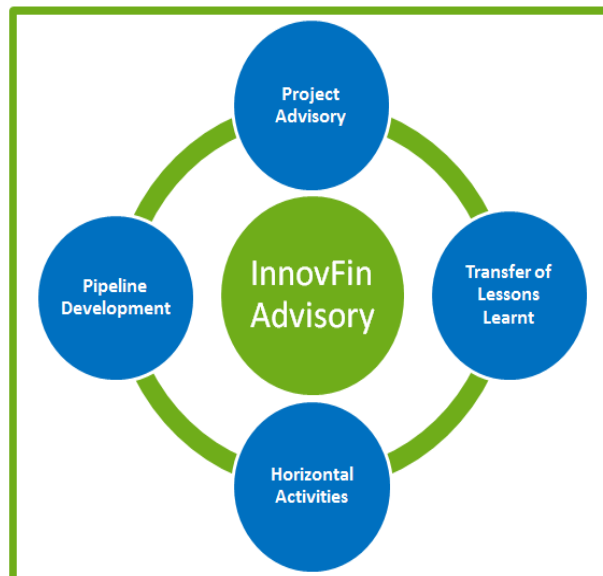
Innovation Finance Advisory- What do we do?

Project Advisory

Improve bankability/investment readiness
Enable earlier/ faster access to finance



- Hydrogen Mobility Germany
- Myrrha
- European Lead Factory (ELF)
- European Spallation Source (ESS)
- Global TB Vaccine Partnership
- Light Project Advisory (LPA) pipeline



Horizontal Activity

Improve framework conditions for financing
Develop “business case” for new financing mechanisms in RDI sectors



- Infectious Diseases Financing Facility (IDFF)
- Circular Economy (CE)
- Key Enabling Technologies (KETs)
- Bio -Economy
- Strategic Energy Technology Plan (SET Plan)
- Financing options for Pan-European RI
- Web tool to guide innovative companies



Enable maximum access to finance for innovative projects

Visit www.eib.org/innovfin

The advisory process consists of the following steps:

- How many employees do you have?**
 - Options: 0 - 249 employees, Between 250 - 499 employees, Between 500 - 2999 employees, Over 3,000 employees.
- Loan amount needed**
 - Options: EUR 25,000 to EUR 7.5m, EUR 7.5m to EUR 12.5m, EUR 12.5m to EUR 25m.
- Are you an unlisted innovative SME or small Mid-Cap business?**
 - Options: (1) I am an SME and I will invest the money in producing or developing new or substantially improved products, processes or services that are innovative and where there is a risk of technological or industrial failure... (2) I am a "fast-growing enterprise"... (3) I have been operating in a market for less than 7 years... (4) I am an "R&D-intensive enterprise"...
- Please contact me**
 - Fields: Name, Email address, Tel number.
- Please select a country**
 - Map of Europe for country selection.
- What's available to me?**
 - Products shown: InnovFin SME Guarantee, InnovFin MidCap Growth Finance.



Objectives and Opportunities of the InnovFin Programme

Question and Answer Session