

# EIB Support for Investment in Digitalisation and Intangible Capital

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Digitalisation and Investment in Intangible Capital: The  
Spanish Case within the EU

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# EIB Group Priorities

EUR **64.2**bn

total financing in 2018 expected to mobilise

EUR **230**bn investment

## SMEs + Midcaps



EUR 23.3bn

374,000  
companies with  
5m employees

## Infrastructure



EUR 12.3bn

Benefits for 34.3  
million households

## Climate & Environment



EUR 15.2bn

Safer drinking water  
for 20m people  
Leader in climate  
finance

## Innovation



EUR 13.5bn

29m high speed  
digital  
connections

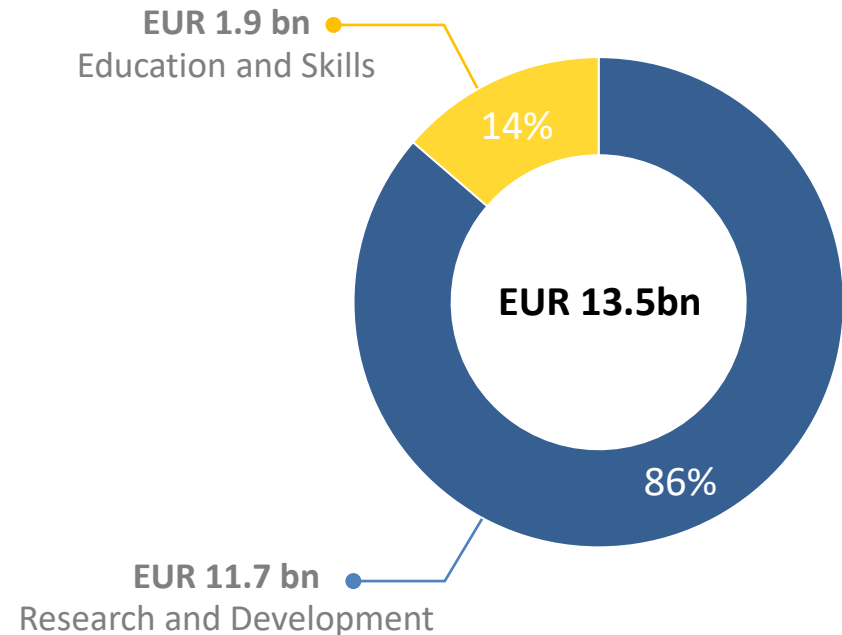
# Innovation and Skills Projects

**Investments in innovation and skills generate positive externalities by creating new information and improving human capacity.**

- 29 Million additional households covered by very high-speed broadband service
- 300,000 Students benefit directly from EIB projects
- 287,000 Jobs supported in skill-intensive industries and services

## Projects include:

- Education & Training
- Projects in cohesion regions
- Innovation enabling infrastructure
- RDI



## The EIF Impact

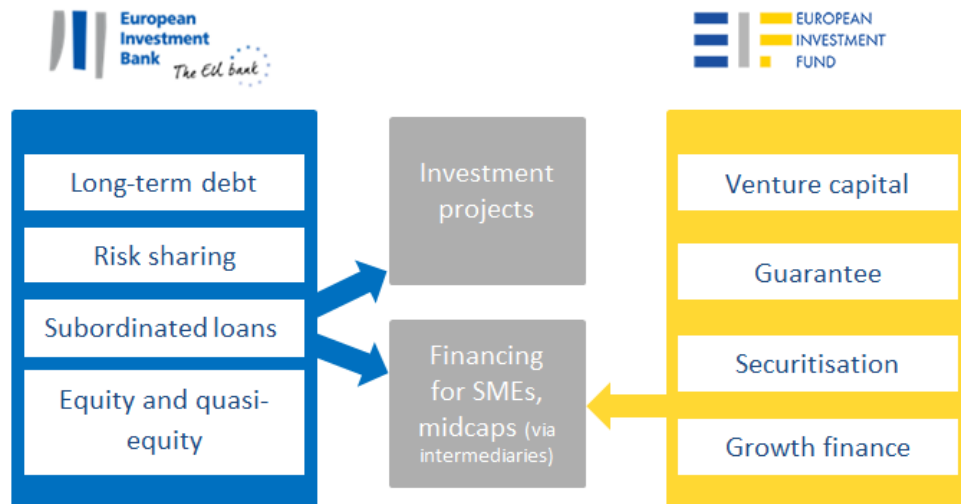
### InnovFin Guarantees and Equity

Under InnovFin, the EIF provides guarantees to financial institutions that will, in turn, provide loans to **innovative** companies (*InnovFin SME Guarantee, or SMEG*), or through making equity investments and co-investments, to, or alongside, funds focusing on **innovative** companies in their pre-seed, seed and startup phases (*InnovFin Equity*). InnovFin is a joint EIB Group and EC initiative under Horizon 2020, the EU research programme for 2014-2020.

### 2018 Highlights

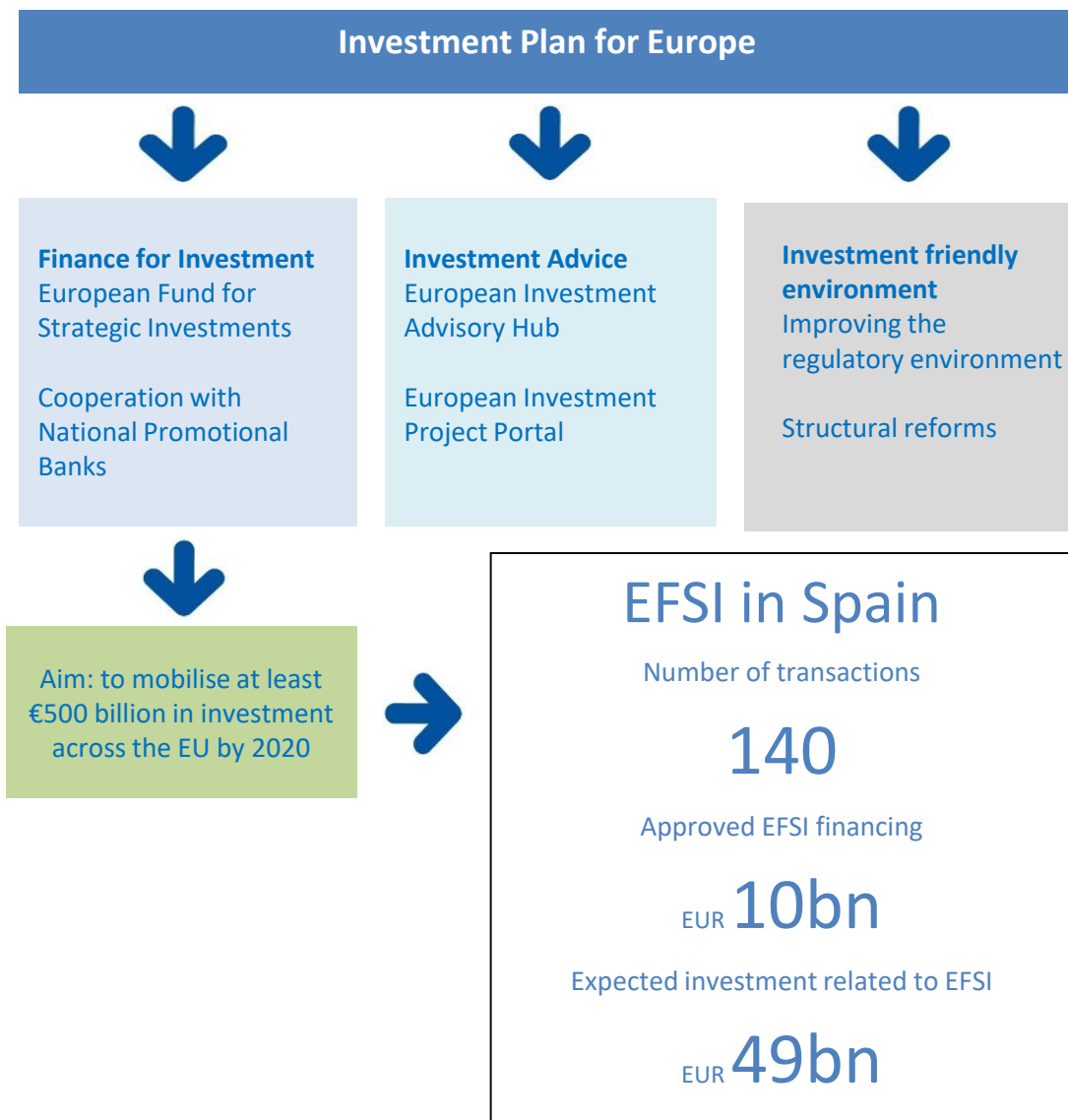
- More than 15,000 **innovative** companies supported
- A record breaking number of Venture Capital transactions to allow new funds to be raised and existing funds to grow – 96 (EUR 1.6bn)
- EUR 12bn of commitments deployed by the EIF through a network of 398 fund managers

# EIB Group Activity in Spain 2018



- Long-time **# 1 beneficiary** country of EIB financing
- Projects with **high impact** on growth, employment, innovation, and climate

# Investment Plan for Europe (“Juncker Plan”)



- **# 3 country in EFSI** approvals and investment mobilised; # 6 in relation to GDP
- **37% of total for Innovation/ Digitalization Financing**
- Highly increased footprint of EIB in Corporate/ MidCap lending for the co-financing of projects

# European Investment Advisory Hub

## THE HUB IN NUMBERS:

- Since its launch in 2015, the Advisory Hub has received **1,102** requests, including **416** in 2018. Of which, the hub has given guidance to more than **900** companies and public bodies across the European Union.
- The Hub has **received 21** requests from the Iberian Peninsula during 2018.

A single access point to a comprehensive offer of advisory and technical assistance services



An instrument to assess and **address unmet needs** for advisory support

A cooperation platform to leverage and exchange expertise from EIAH partners



## Helping set up Investment Platforms

### Categories:

- Dedicated vehicle
- Co-financing agreement
- Risk-sharing model

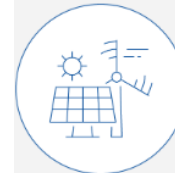
### Benefits:

- Flexible and adaptable to different market needs, intermediaries and geographies
- Can combine **EFSI** with ESIF funding
- New ways of collaboration between EIB group and NPBI's
- Advisory Hub Assistance

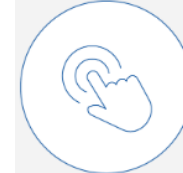
## Supporting a wide range of sectors and activities



Research, development and **innovation**



Development of the energy sector



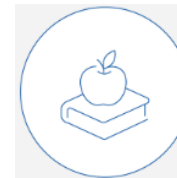
Information and communication technologies



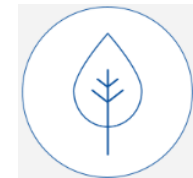
Financial support for SMEs & small mid-caps



Transport infrastructures, equipment & **innovative** technologies for transport



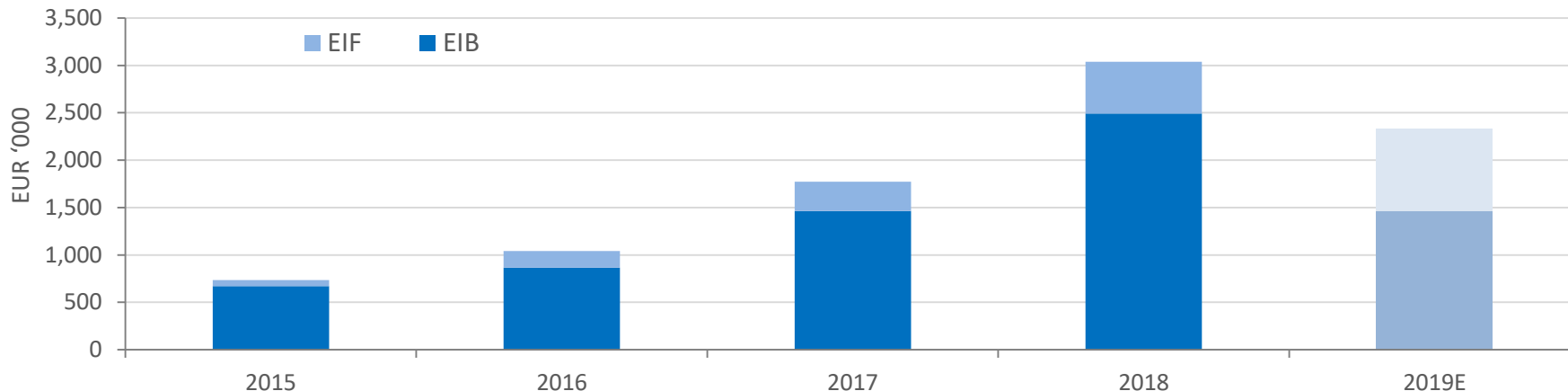
Human capital, culture and health



Environment and resource efficiency

# EIB Group Finance for Innovation & Digitalisation in Spain

EIB & EIF Financing Innovation in Spain (2015-19E)



## Venture Debt

- Cloud solutions RDI for Media groups and Telecom operators
- InnovFin MidCap growth / Deployment of Fiber-to-Home Network

## Corporate (MidCap) Lending

- More than EUR 1.6bn signed to finance corporate (ex. Telecom and Utilities) innovation since 2016, more than 20 operations
- Most active sectors are Agrofood, Automotive, Pharma, and Steel

Catalysed by EFSI

## Intermediated Lending

InnovFin

- Programme loan for Innovation & digitalization of SMEs
- Technology & Digital platforms programme for the banking sector

## Public Sector

- Strategic Research and Innovation Spain

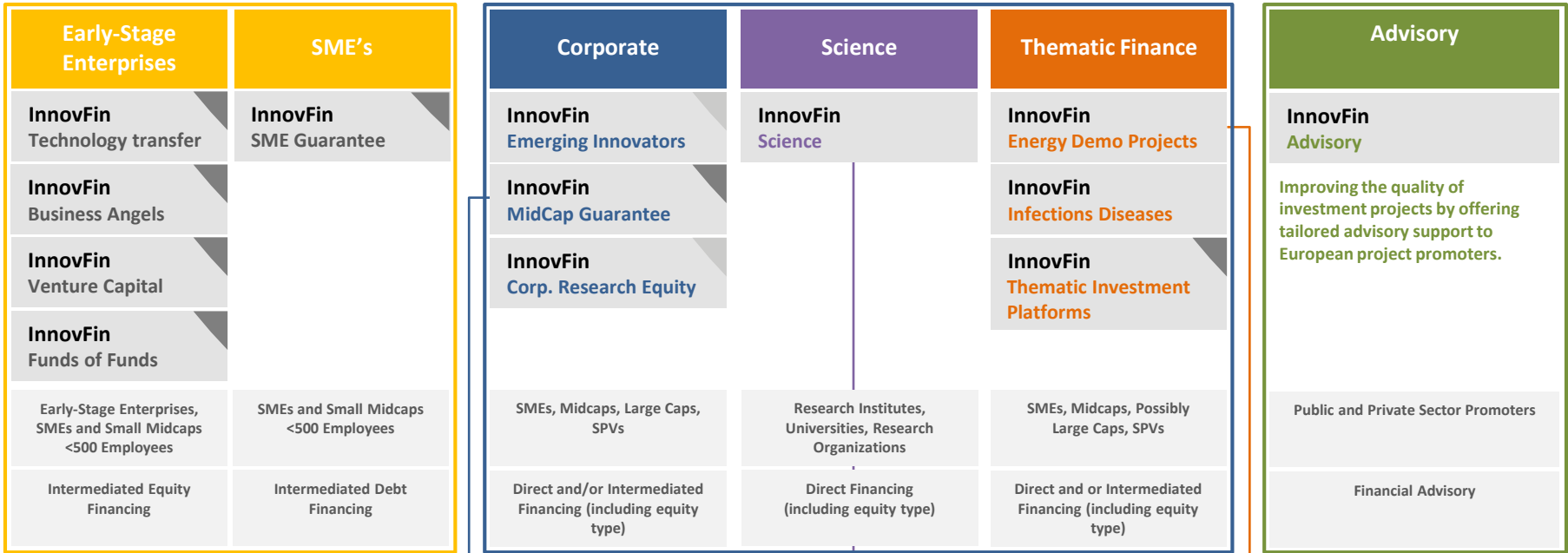
InnovFin

## EIF

- Guarantees
- Equity – Venture Capital

InnovFin

# InnovFin: Financing tools and advisory services for the entire value chain of research and innovation



**European Investment Bank**

**BPI**

EUR 150m

The operation entails the implementation of the innovative mid-caps in accordance with Horizon 2020 eligibilities. 50% of the credit risk associated with a portfolio of new loans originated by Banco BPI SA. The guaranteed portfolio will be composed of innovative mid-cap loans.

04-2016

**European Investment Bank**

**GOBIERNO DE ESPAÑA**

EUR 1.2bn

Financing of the RDI investment programme carried out by the Spanish Secretary of State for RDI as part of a nation-wide strategy to improve Spanish innovation and competitiveness. Beneficiaries will be public research infrastructures and organizations across Spain as well as researchers and research institutions.

12-2018

**European Investment Bank**

**WindFloat**

EUR 60m

The **WindFloat** project covers the design and installation of a 25MW floating offshore wind farm c.20km off the coast of Portugal, 85-100m deep. It will comprise 3 floating substructures with recently developed wind turbines of the 8.4MW class. The project would also include and export cable sections to a fixed sub-sea cable connection that is to be installed and operated by the transmission system operator.

10-2018

**European Investment Bank**

**Smart Finance for Smart Buildings (SFSB)**

SFSB is an EU-wide initiative aiming to finance energy efficiency projects in buildings. The Hub undertook initial pilot actions in France, Malta, Romania, and Spain. It also conducting a study on ratings for loans devoted to energy efficiency projects and has developed a guidance note for Energy Performance Contracts for public buildings renovation through ESCOs (Energy Service Companies)

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)



# Venture Debt

## Financing Stage

**Venture Debt** finances growth stage of small innovative companies.

Example situations that can be financed with Venture Debt:

- **Scale-up** from pilot to mass manufacturing
- **Development** of products & services through R&D
- International **expansion**

### Venture Debt

#### Financing early-late growth stage:

- Mostly young start-ups or SMEs
- Limited sales but fast growth
- Pre-profit, breakeven in 1-3 years
- 3Y investment plan >EUR 15m

### Bank Debt

### Seed/Venture Capital



## Target Companies



**Innovative** company with growth driven by the value of your own intellectual property, and no access to bank debt



Start-up, SME or mid-cap with **less than 3,000** employees and growing, including pre-profit companies



Company already raised **Series B/C venture equity** and needs additional financing to accelerate growth



Strong and **sustainable** business model/plan, professional management & investors, and established corporate governance



Investments to be financed are located in the **EU**, amounting to at least 2x the size of the venture financing requested

# Venture Debt

## Selected operations in Spain

agile content

*Digital products & services*

Amount: EUR 7.5m  
Sector: Software  
Country: Spain  
Signed: December 2018



### Investment rationale:

- Boost growth of new digital TV & educational language platforms
- Milestone-based disbursement in tranches, mitigating risks for EIB

STAT Dx  
Closer to Care  
Now a QIAGEN company



Infectious diseases diagnostics

Amount: EUR 20m  
Sector: Life Sciences  
Country: Spain  
Signed: June 2017



### Investment rationale:

- Enable faster/better diagnostics to replace existing complex protocols to obtain analytical results
- Milestone-based disbursement in tranches, mitigating risks for EIB

# Corporate MidCap Lending supported by EFSI

## Selected operations in Spain

European Investment Bank



EUR 160m

Project: RDI investments for automotive mechanisms, body-in-white and chassis in Gestamp's existing premises.

06-2016

European Investment Bank



DOMINION

EUR 25m

Project: RDI for IT and Engineering services in sectors such as telecommunications, health and industry amongst others.

11-2016

European Investment Bank



EUR 116m

Project: RDI for IT solutions aimed at the adaptation of its business model to the e-commerce reality of today.

12-2016

European Investment Bank



EUR 100m

Project: CAPEX for installation of advanced manufacturing equipment in a cohesion priority region. RDI on existing and new products.

12-2016

European Investment Bank



EUR 80m

Project: RDI for ICT services and solutions in transport, air traffic management, digital, homeland security and smart energy.

12-2016

European Investment Bank




EUR 25m

Project: RDI for automotive decorative solutions to reduce vehicle's weight and improve fuel efficiency. CAPEX for capacity upgrading.

06-2017

European Investment Bank



EUR 110m

Project: RDI for the development of innovative engineering solutions in renewable energies, aerospace, marine and railway transport.

06-2017

European Investment Bank



EUR 45m

Project: RDI in pre-clinical and clinical development of various drugs for the therapeutic areas of psychiatry and oncology.

12-2017

European Investment Bank



EUR 30m

Project: RDI for developing new rolling stock solutions for commuter and high speed trains. CAPEX for manufacturing and maintenance.

12-2017

European Investment Bank



EUR 70m

Project: placement of end-of-life stainless steel production equipment by implementing a new cold rolling mill.

12-2017

European Investment Bank



EUR 100m

Project: Expanding and upgrading the telecom equipment, increasing the wireless coverage in rural areas and densification in urban ones.

12-2017

European Investment Bank



EUR 85m

Project: Continuance of existing RDI programs in plasma proteins for various therapeutic areas and CAPEX for the improvement of manufacturing.

12-2017

European Investment Bank



EUR 25m

Project: RDI activities on complex metallic parts for the automotive sector and CAPEX for upgrading the manufacturing processes.

12-2017

European Investment Bank



EUR 100m

Project: Research, development and innovation (RDI) in the water treatment, renewable energy, services and infrastructure sectors.

01-2018

European Investment Bank



EUR 100m

Project: Supporting the RDI activities related to automotive interior products and the deployment of advance manufacturing technologies.

06-2018

European Investment Bank



EUR 32.5m

Project: RDI and CAPEX for manufacturing of electrical equipment for electric power transmission and distribution.

07-2018

European Investment Bank



EUR 35m

Project: Energy efficiency, construction and renovation of hotels and RDI of a social enterprise that employs 14,000 people with disabilities.

07-2018

European Investment Bank



EUR 80m

Project: Supporting the RDI and CAPEX activities for the design and manufacture of vehicles components and subassemblies.

07-2018

European Investment Bank



EUR 26m

Project: R&D programs in the construction sector. Additionally, the promoter will expand its existing rental fleet in Spain and Poland.

10-2018

European Investment Bank




EUR 26m

Project: Research, development and innovation (RDI) the areas of fuel efficiency, light weighting and advance manufacturing technologies.

11-2018

European Investment Bank



EUR 85m

2nd tranche of existing RDI programs in plasma proteins for various therapeutic areas and CAPEX for improvement of manufacturing processes.

12-2018

Any questions?



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