

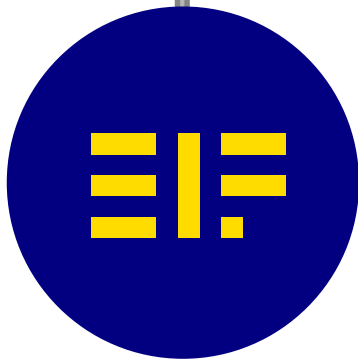


Investment scheme for supporting blockchain and AI

27 January 2020, Prague

What is EIF?

SHAREHOLDERS



AAA
RATING

€4.5BN
CAPITAL BASE

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

OBJECTIVE

To foster EU objectives, notably in the field of entrepreneurship, growth, innovation, R&D and employment, supporting European SMEs.

AND

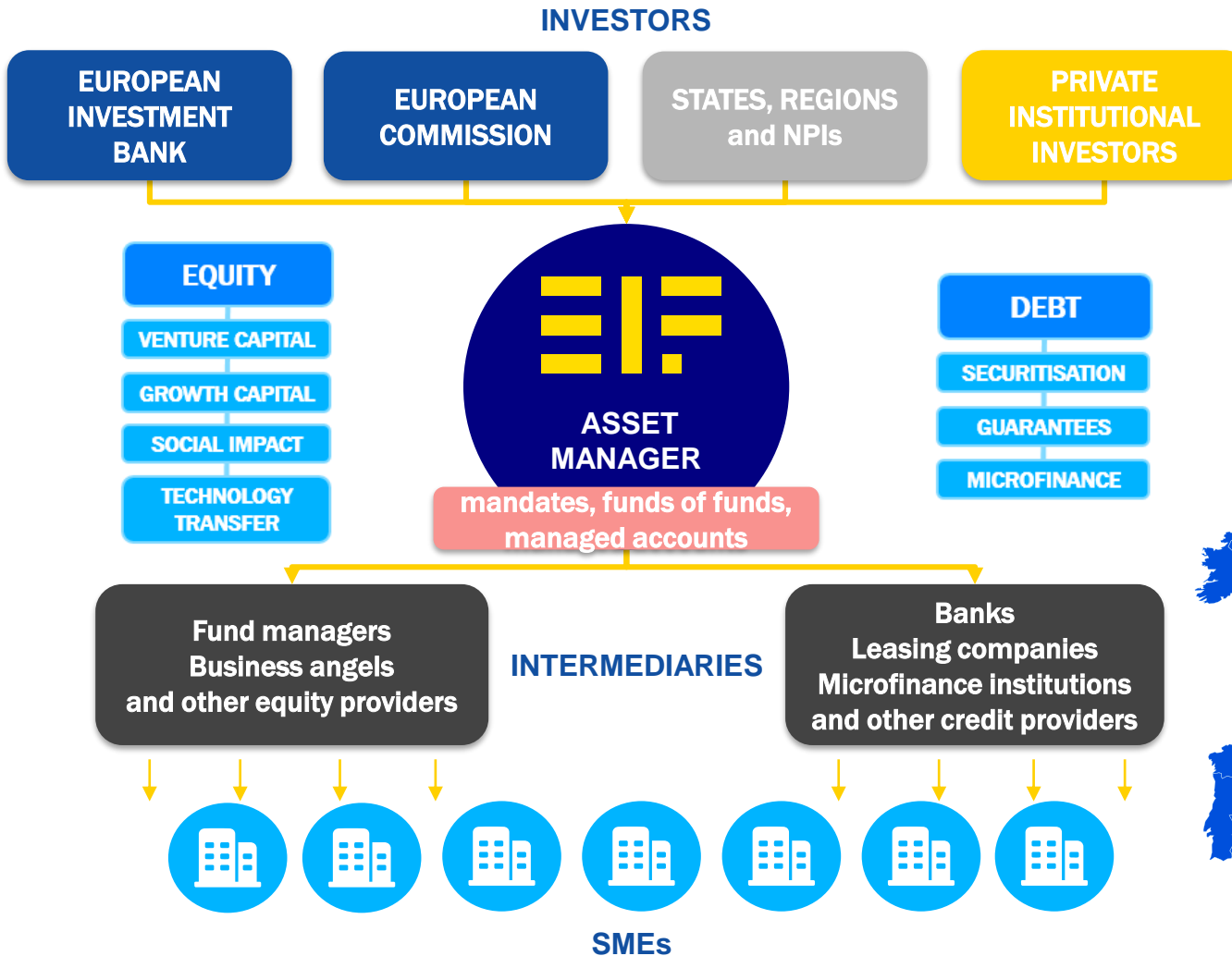
To generate an appropriate return for our shareholders through a commercial approach.

HOW

By offering a wide range of targeted products for investments in SMEs and mid-caps, ranging from venture capital to guarantees and microfinance.

EIF has c. 140 investment professionals dedicated to its transactions.

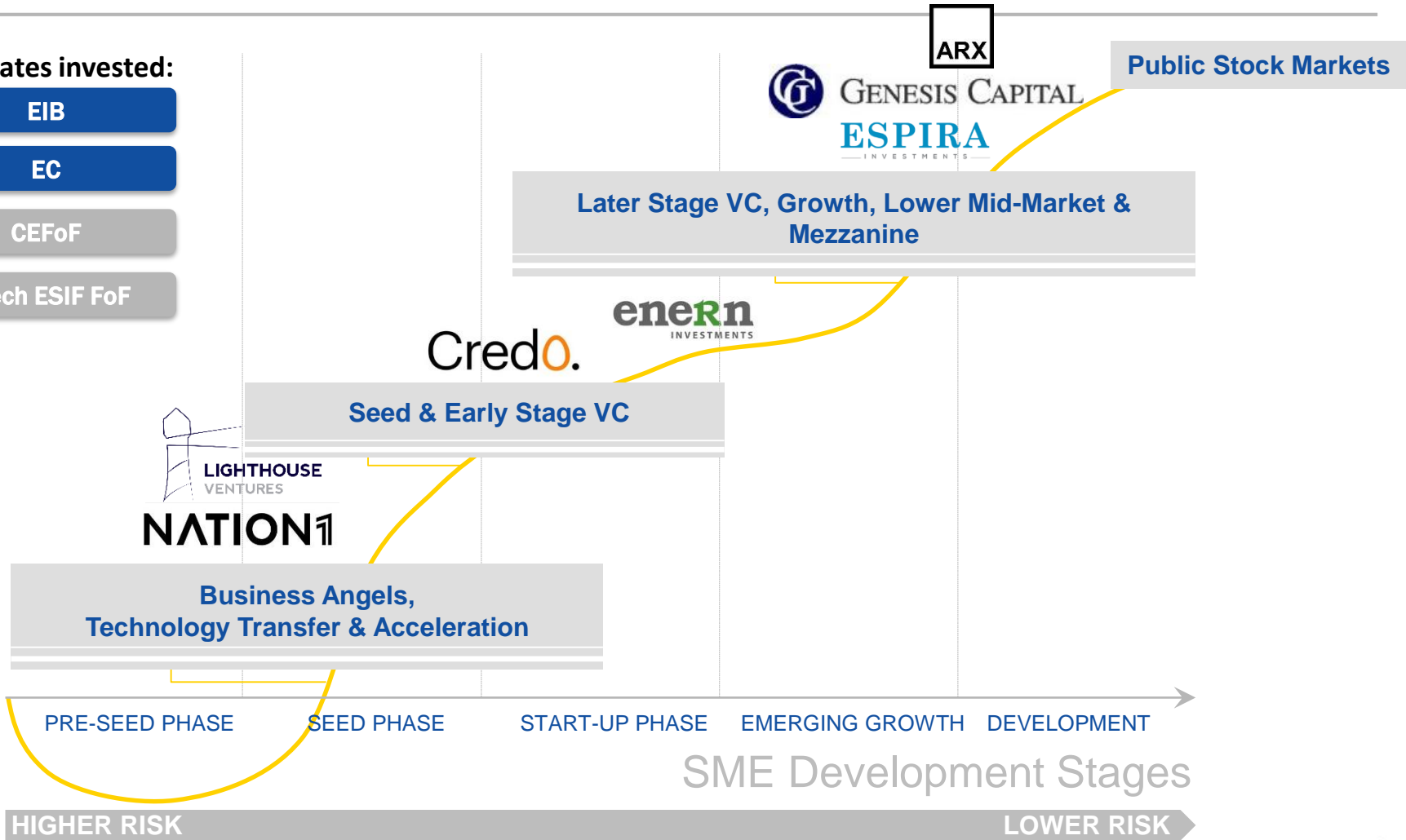
A fully intermediated business model



EIF's equity investments in the Czech Republic

Mandates invested:

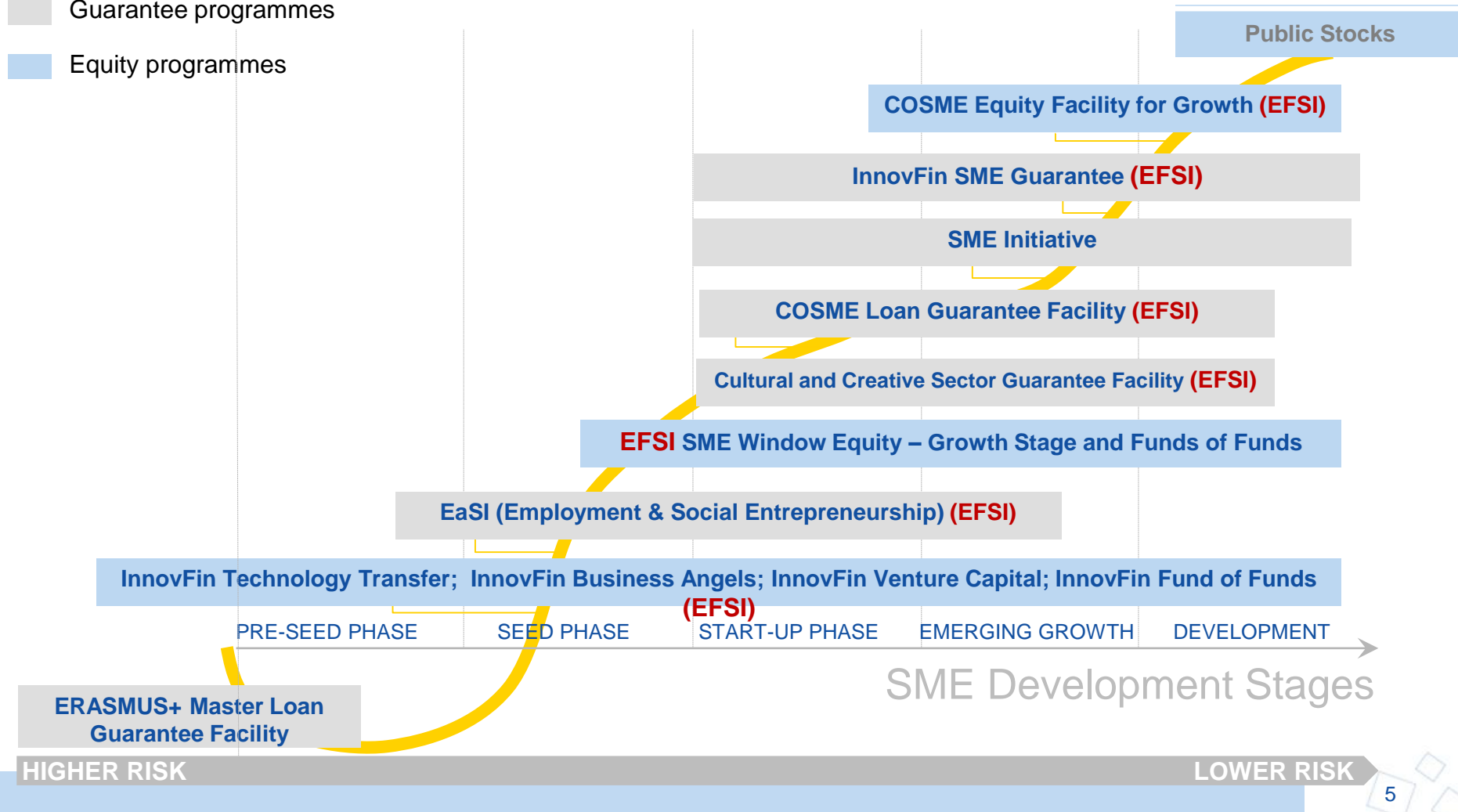
- EIB**
- EC**
- CEFoF
- Czech ESIF FoF



EU-wide investment programmes available at every stage



- Guarantee programmes
- Equity programmes

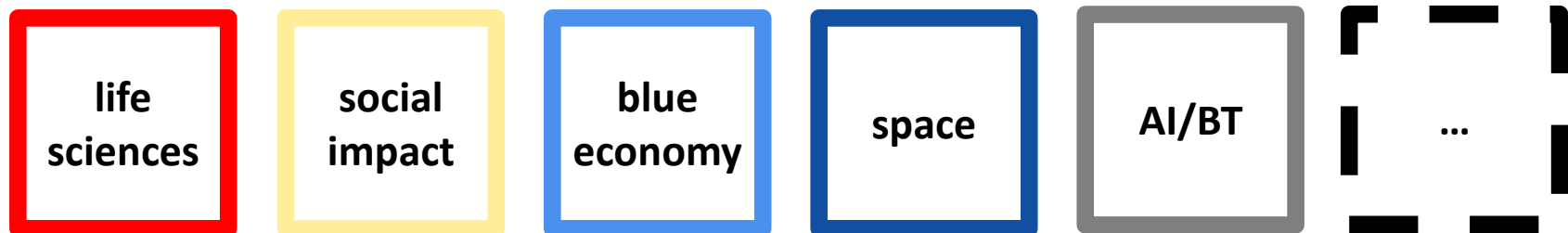


Increasing EIF's focus on thematic



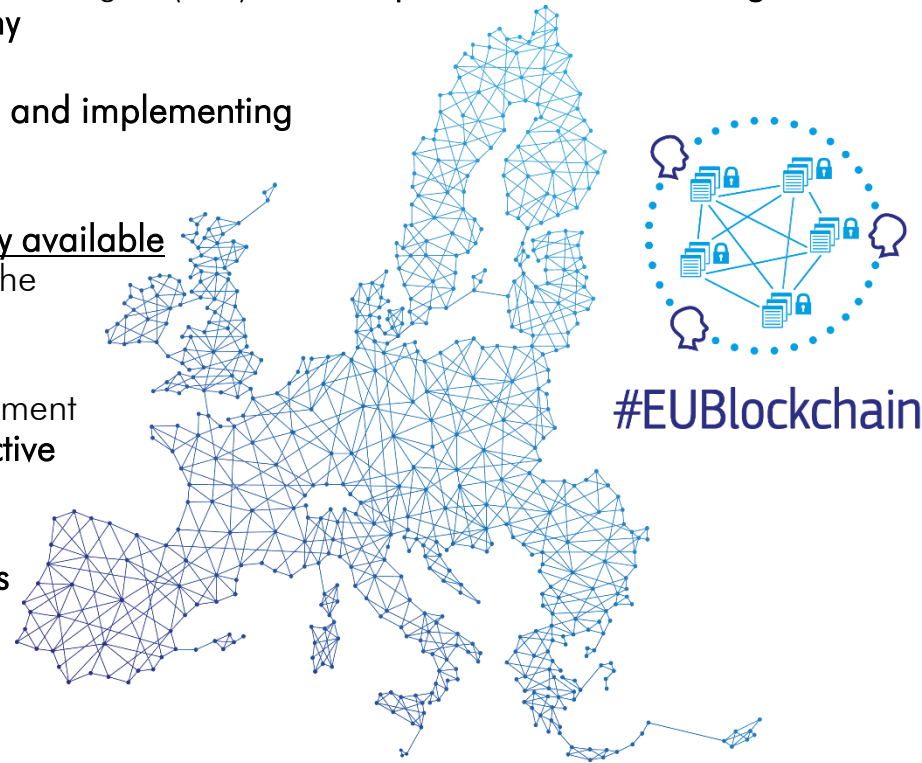
VS

vertical



Blockchain as an EU priority

- ❑ home to a **vibrant blockchain research community**, with both start-ups and traditional industries looking to adopt innovative processes and models based on the technology
- ❑ EC recognizing blockchain and distributed ledger technologies (DLT) as an **important tool for building a fair, inclusive, secure and democratic digital economy**
- ❑ support for positioning **EU as a leader in developing and implementing blockchain and DLT**, and as a standard setter
- ❑ softer forms of **support to be complemented by newly available funding dedicated to blockchain technologies**, with the following objectives:
 - to **test the market appetite**, depth and development in order to **construct a more efficient and effective EU blockchain strategy**
 - to provide **support for both first-time managers and experienced teams**, employing either a focused or a generalist investments strategy, operating in the blockchain sector
 - to **encourage private investors** to recognise the potential and undertake investments in the sector



InnovFin Equity – new pilot for AI and blockchain technologies (BT)

InnovFin basic features

early stage focus

pre-seed, seed, start up phases (seed & A rounds included)

focus on Horizon 2020 objectives (e.g. ICT, life sciences, clean energy)

investment size up to EUR 50m

pari-passu, at least 30% investment from private investors

up to 25/50% of total commitments

x2 of investment ticket in eligible investees

EU + Horizon 2020 Associated Countries

Call for Expression of Interest

Stage coverage

InnovFin
Fund-of-Funds



OTHER EIF RESOURCES

InnovFin
Venture Capital

AI/BT



OTHER EIF RESOURCES

InnovFin
Business Angels

InnovFin
Technology Transfer

TRL 3-6

TRL 7-8

PRE-SEED PHASE
PROOF OF CONCEPT

SEED PHASE

START-UP PHASE

EMERGING GROWTH

DEVELOPMENT

Main product features



- **Programme size:** EUR 100m, to be approved for selected investments by Dec 2020, enabling a portfolio of c. 4-8 funds and co-investments in AI/BT-related technologies
- **Tools:** new direct fund investments and co-investments alongside existing EIF fund managers and business angels
- **Fund strategies:** artificial intelligence and blockchain technologies -focused funds or generalist funds with an opportunistic focus on these areas (required to invest at least 2x of the programme allocation in AI/BT)
- **Investment in a single fund:** up to EUR 50m (min. 7.5% and max. 50% of the fund)
- **Targeted final beneficiaries:** SMEs that are developing or operating in the field of AI or blockchain/DLT
- **Stage focus:** early stage, expansion and growth

How EIF defines AI and BT

AI – digital systems, based on software and/or hardware devices, that perceive their environment through data acquisition, interpret the collected data, reason on the knowledge, or process the information derived from this data and decide the best action(s) in the physical or digital dimension to achieve a given goal, adapting their behaviour over time, including on the basis of previous actions or newly collected data (examples – speech recognition, natural language processing, data analytics, robotics or machine vision)

Blockchain/DLT – technologies promoting trust by creating and recording through distributed networks, consensus on states of data and transactions, by enabling and guaranteeing the execution of tasks, and by facilitating data sharing and transfer of value, in a secure, autonomous and decentralized way (in particular technologies that enhance the auditability, data preservation or data integrity, and the provision of better control of data by citizens and organisations)

investments in companies



active in research, development or operation of AI/BT



exploiting AI/BT in order to research, develop or manufacture products or services

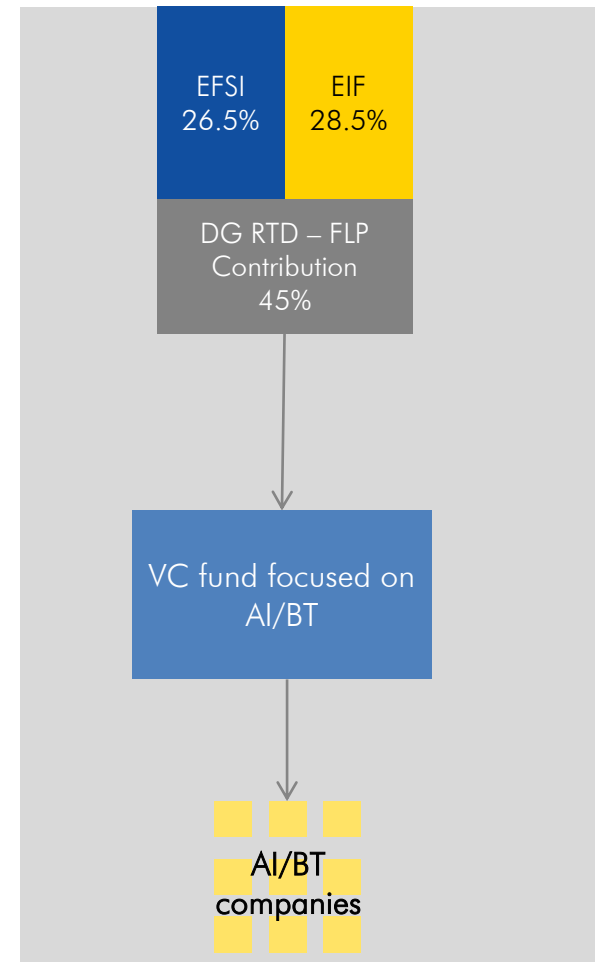
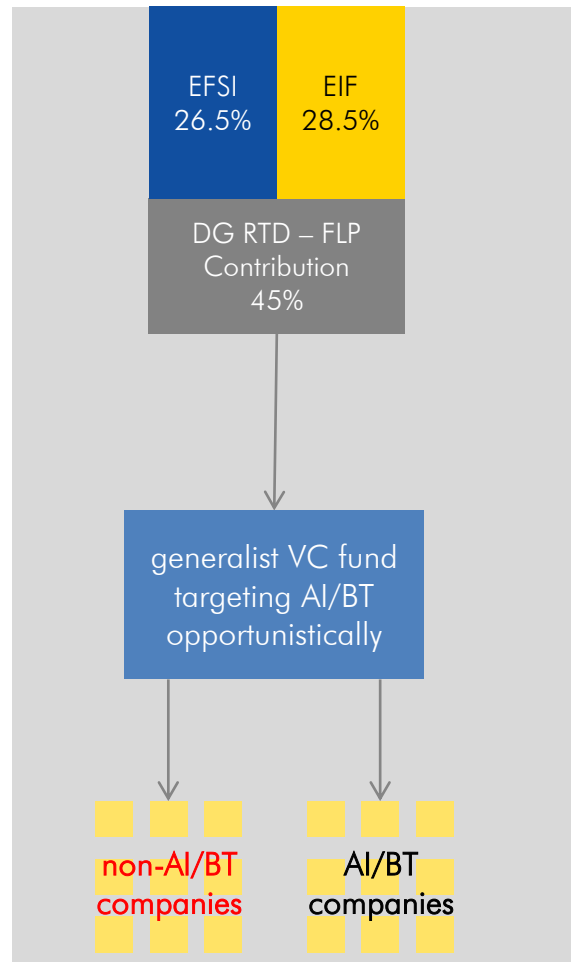
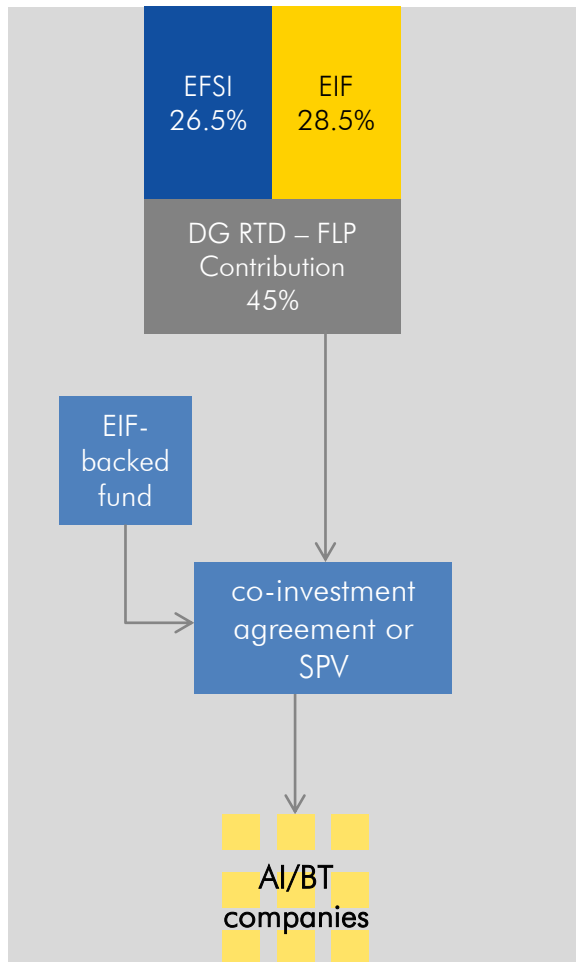


transferring AI/BT across industries or sectors



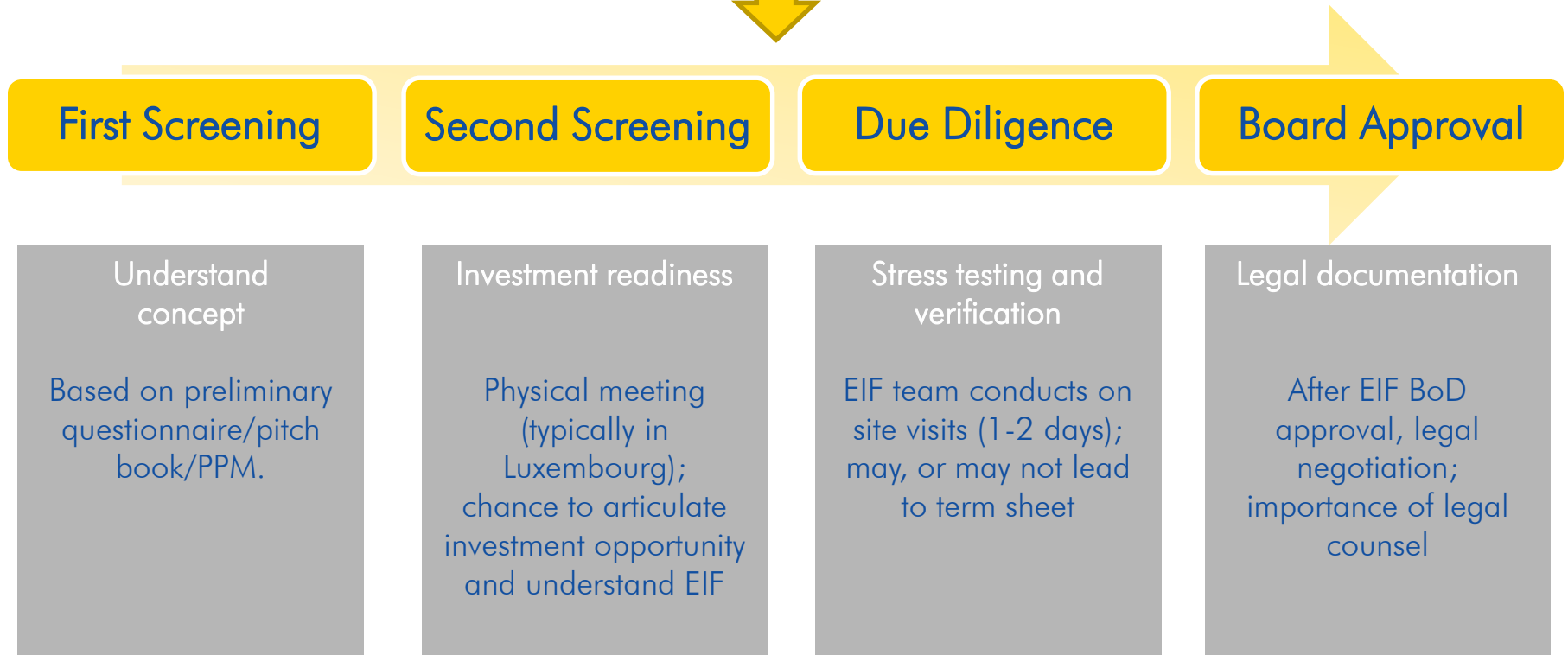
otherwise exploiting AI or BT -based products or services

Investment modalities

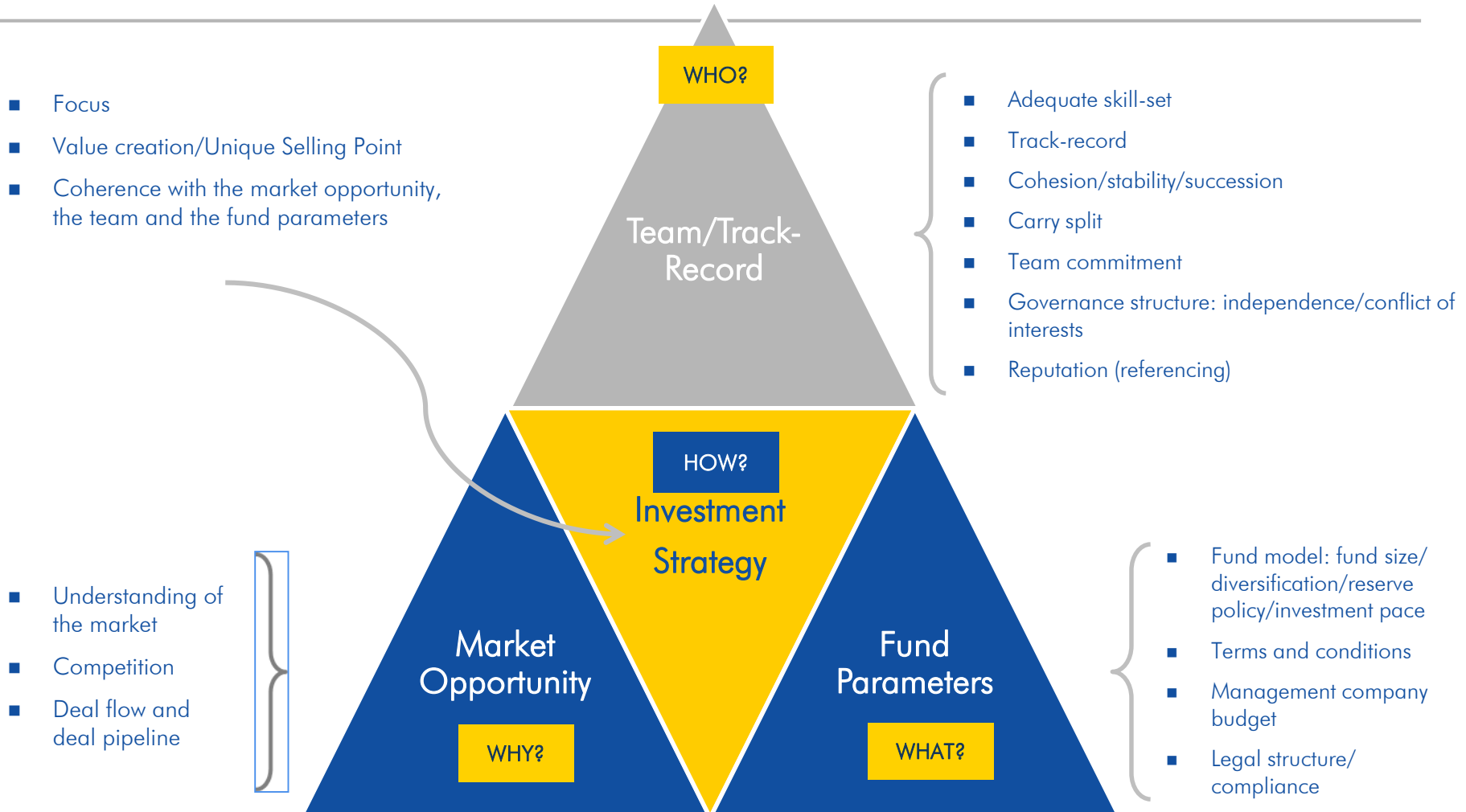


EIF's investment process

submission of an application* (incl. PPM/pitchbook) to
efsi_equity@eif.org / euinstrument@eif.org



Investment viability assessment



What does the future hold for AI/BT investment support?

- strong current pipeline, seeking further BT opportunities in the next 3-6 months, time is short
- future EU support likely but also dependent on the pilot's results
- awaiting conclusion of InvestEU preparation, new strategic priorities (climate a strong focus)
- possibility to complement or extend pan-EU initiatives with programmes dedicated to specific countries or regions, in cooperation with local partners

Thank you for your attention!

Contacts

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