

InvestEU Equity

Addendum

for

InvestEU IPO Initiative

This Addendum introduces the IPO initiative. It sets out additional terms and conditions for financial intermediaries wishing to apply for an investment under InvestEU Equity with specific support for IPO strategies.

The following terms presented complement the relevant terms and conditions set out for InvestEU Equity, mainly the [Annex II](#) to the CEoI. The other terms and conditions set out in the relevant Annex apply unless otherwise specified in this Addendum.

Non-defined terms have the meaning assigned to them in the CEoI.

Important Disclaimer

This document is for information purposes only. It is an outline of the principal operational guidelines for the product described herein, which are subject to change and non-exhaustive. It is intended to provide a basis for discussions and does not constitute a recommendation, a solicitation, an offer or a binding commitment – either implicit or explicit – on the part of the European Investment Fund (the “EIF”) and/or any other person to enter into one or more transaction(s). Any finance commitment by the EIF can only be made, inter alia, after appropriate approval, conclusion of legal due diligence and finalisation of the required legal documentation. The EIF does not act as adviser to you or owe you any fiduciary duty. The EIF does not make any representations or warranties (whether explicitly or implicitly) with respect to the information contained in this document. This document and any information contained therein may not be circulated and/or reproduced in part or in full without the prior written consent of the EIF.

1. Introduction to the InvestEU IPO Initiative

In order to support EU enterprises access to public equity markets, EIF will implement a new initiative under the InvestEU Fund (the “InvestEU IPO Initiative”).

The InvestEU IPO Initiative will seek to strengthen the EU’s public market ecosystem by supporting investment funds targeting pre-IPO and/or public equity market investments in European SMEs and Mid-Caps, active at national level and/or cross-border. The ultimate general policy goal of the Invest EU IPO Initiative is to support companies considering a public listing and listings of companies on EU trading venues.

The funds supported by EIF under the InvestEU IPO Initiative, IPO Financial Intermediaries, can support IPO activity, inter alia, by:

- Acting as an “anchor investor” in the funding round or IPO, thereby providing a strong signalling effect to other potential investors.
- Investing pre-IPO, supporting the continuity of valuation as the company migrates to a public market.
- Assisting companies with the transition from a private company to public company e.g. financial reporting standards, corporate governance and shareholder communication.
- Providing long-term capital and stability in shareholder base.

2. Additional terms for an InvestEU IPO Initiative

IPO Financial Intermediary	A Financial Intermediary which, under its investment strategy, targets to invest in IPO Final Recipients.
Fund Investment Strategy	<p>The IPO Financial Intermediary shall follow predominantly a “buy and hold” investment strategy, and shall not engage in speculative short-term resale strategies.</p> <p>During the selection process, EIF shall assess the fit of the investment strategy with the InvestEU IPO Initiative.</p>
IPO Final Recipients	<p>An Eligible Final Recipient that, at the date of first investment by the IPO Financial Intermediary:</p> <ul style="list-style-type: none"> a) is targeting a public listing, or b) is listing on an EU trading venue via an initial public offering, or c) has been listed on an EU trading venue for a length of time not exceeding 3 years and where the investment by the IPO Financial Intermediary is being made via the purchase of traded stock from investors on an EU trading venue. For the avoidance of doubt, Eligible Final Recipients making secondary issuances on an EU trading venue shall be considered IPO Final Recipients for a duration of up to 10 years following their initial listing.¹.
IPO Minimum Allocation	In addition to the Minimum Investment Allocation Requirements specified in <u>Annex II</u> , IPO Financial Intermediaries shall commit to invest into IPO Final Recipients an amount equal to the amount drawn down by the IPO Financial Intermediary under the InvestEU IPO Initiative Investment.

3. Definitions

Whenever used in these guidelines, the following terms shall have the meanings alongside them. Any capitalised items not defined in this Annex have the meaning given to them in the Call for Expression of Interest or as the case may be Annex II thereto.

InvestEU IPO Initiative Investment	means a commitment in any form entered into by EIF under the InvestEU IPO Initiative to invest in a Fund, excluding any co-investments from other resources managed or advised by EIF, if any.
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Confidential

¹ Equity Intermediaries investing exclusively at the post-IPO stage shall not be eligible under the InvestEU IPO Initiative.