



Addendum to the Open Call for Expression of Interest introducing the InnovFin COVID-19 Support Measures

The document introduces a set of measures aimed at alleviating the impact on the venture capital market from the COVID-19 crisis that are intended to enhance the ability of InnovFin Financial Intermediaries to achieve the relevant closing (“**InnovFin COVID-19 Support Measures**”). These measures are outlined in section 3 of this Addendum. The measures complement and supersede the relevant terms and conditions set out for InnovFin Equity in: (i) the [Annex III-Investment Guidelines](#) in the context of the [EFSI Equity Call for Expression of Interest](#), and (ii) the [Annex II-Investment Guidelines](#) in the context of the [Single EU Equity Call for Expression of Interest](#). 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 Call for Expression of Interest for the InnovFin Equity.

1. Applicability of the InnovFin COVID-19 Support Measures

The InnovFin COVID-19 Support Measures are of exceptional nature and have limited application timeline described in this Addendum. Such measures are made available to InnovFin Financial Intermediaries, which are established in the EU or in any Horizon 2020 Associated Country to which the EIF has **approved a commitment by 31.12.2020** and whose fundraising prospects **have been adversely affected by COVID-19, thus hindering the achievement of the relevant fund closing**.

2. Outline of InnovFin COVID-19 Support Measures

The current crisis triggered by the spread of COVID-19 has caused an abrupt change of the sentiment and market environment of the European PE and VC industry. The VC industry in particular has been severely affected by the unprecedented situation with both fund managers and portfolio companies experiencing pressure on multiple fronts.

Due to the COVID-19 outbreak, the fundraising conditions have deteriorated significantly. Because of the delays in fundraising and investors withdrawing from the market, many financial intermediaries will not be able to close their funds or reach viable sizes, thus affecting the availability of equity finance to start-ups and scale-ups.

The InnovFin COVID-19 Support Measures comprise:

- **Minimum InnovFin participation:** The current requirement for InnovFin Equity to represent at least 7.5% of the commitments of the IFE Financial Intermediary raised in the closing of the IFE Operation¹ are waived in light of EIF’s ability to be more catalytic through the InnovFin commitment. Such a measure is expected to facilitate the cases

¹ excluding any amount raised in the previous closings

where EIF participates in subsequent closings with an incremental amount to its original commitment to support a financial intermediary in reaching its target fund size.

- **Maximum InnovFin participation:** Similarly, to the above measure, the existing requirement for InnovFin to represent up to 25% or up to 50% (depending on certain circumstances) of aggregate commitments in a financial intermediary are waived. This measure is expected to enhance EIF's role as an anchor investor via InnovFin and in particular step-up its support to these InnovFin Financial Intermediaries struggling to reach minimum or target fund size.
- **Participation of independent private investors:** This measure effectively reduces temporarily the requirement to fundraise resources from independent private investors from at least 30% of total commitments currently, to 10% of total commitments. In the circumstances of COVID-19, this measure will allow EIF to address more adequately the cases where InnovFin financial intermediaries are facing delays in fundraising or are unable to comply with the 30% requirement and as a result risk not being able to reach their minimum or target fund size.

The above-mentioned measures may be applicable to:

- Any existing InnovFin Financial Intermediary by means of EIF making certain modifications to its existing InnovFin commitment with a view of applying the COVID-19 Support Measures;
- Any existing InnovFin Financial Intermediary to which EIF makes an increase of its InnovFin commitment under terms applicable for the COVID-19 Support Measures; and
- Any new InnovFin Financial Intermediary to which a commitment is approved within the timeline of applicability of the COVID-19 Support Measures.

3. Modification of existing terms of the InnovFin Equity

In these circumstances, as part of the policy response to address the economic disruption caused by COVID-19, the below InnovFin Equity terms and conditions will be amended to step up its catalytical role in order to alleviate the fundraising difficulties of the InnovFin Financial Intermediaries in the period following the COVID-19 outbreak as further set out below.

Unless otherwise provided, the terms under the Investment Guidelines to the relevant Open Call for Expression of Interest applicable to InnovFin Equity also apply.

Name	Amended Terms as a result of the introduction of the InnovFin Covid-19 Support Measures
Size of InnovFin Investment	An InnovFin Investment may represent: <ul style="list-style-type: none"> • Less than 7.5% of the commitments of the InnovFin Financial Intermediary raised in the closing of the InnovFin Investment, explicitly allowing participation in subsequent fund closings (excluding any amount raised in the previous closings) if such participation is required to achieve the target fund size;

	<ul style="list-style-type: none">• More than 50% of the total commitments of the IFE Financial Intermediary, provided that such participation is required in achieving the relevant closing (minimum or target fund size, as case may be) of the InnovFin Financial Intermediary.
Investor Base of InnovFin Financial Intermediary	The following InnovFin provisions may apply: <ul style="list-style-type: none">• EIF, may represent more than 50% of the total commitments to a IFE Financial Intermediary;• An InnovFin Financial Intermediary shall have at least 10% of its total commitments at the time of EIF's closing, and including earlier closings if such have taken place, coming from independent private investors².

4. How to Apply

Prospective financial intermediaries

Prospective applicants interested in benefiting from the InnovFin Covid-19 Support Measures, but which are not yet InnovFin Financial Intermediaries, shall follow the regular application process as outlined in the relevant Call and, additionally, send the form in Appendix 1: the application will be automatically considered in light of Covid-19 Support Measures.

With respect to the regular application process please make reference to:

- [EFSI Equity Instrument Call](#), for prospective InnovFin Financial Intermediaries established in the EU;
- [Single EU Equity Instrument Call](#), for prospective InnovFin Financial Intermediaries established in the Horizon 2020 Associated Countries.

Existing InnovFin Financial Intermediaries

Any existing InnovFin Financial Intermediaries interested in benefiting from the InnovFin COVID-19 Support Measures shall fill out the form in Appendix 1 and send, in order to prompt an assessment by EIF, an email to: (i) efsi_equity@eif.org for InnovFin Financial Intermediaries established in the EU, and (ii) to EUEquityInstrument@eif.org for InnovFin Financial Intermediaries established in the Horizon 2020 Participating Countries.

For evaluation of applications of existing InnovFin Financial Intermediary, EIF will rely substantially on the already performed due diligence with the evaluation process focusing primarily on assessing the impact on their fundraising prospects and ability to reach minimum and / or target fund size as a result of COVID-19. The EIF reserves its right to request additional information and undertake additional assessment as part of its evaluation process, including undertaking a full due diligence and compliance assessment, in case this is considered necessary.

²Refer to Investor Base of InnovFin Financial Intermediary in Annex II Investment Guidelines.

In addition to the form in Appendix 1, the applicant shall make available to the EIF the relevant information and documentation covering the points listed below, which are considered minimum information required in the selection process for EIF to assess the COVID-19 impact:

- 1.1. Requested modification of the terms and conditions of the existing InnovFin Investment and/or increase of InnovFin commitment as part of the COVID-19 Support Measures;
- 1.2. Rationale and scope of the terms and conditions to be modified in the existing InnovFin Investment and/or the use of the additional InnovFin commitment in light of COVID-19 impact;
- 1.3. Description of the enhanced strategy pursued through the COVID-19 Support Measures.

Appendix 1 to the Expression of Interest

APPLICANT ENTITY IDENTIFICATION

INFORMATION REQUIRED	
APPLYING FOR: InnovFin Equity COVID-19 Support Measures	
NAME	
LEGAL FORM	
COUNTRY OF ESTABLISHMENT	
ARE YOU ALREADY FINANCED BY INNOVFIN EQUITY?	
<input type="checkbox"/> YES	
<input type="checkbox"/> NO	

CONTACT DETAILS	Title: Mr/Mrs/other (delete or complete as appropriate)
	Surname:
	Forename(s):
	Function:
	Address:
	Telephone:
	Email: