



## Addendum to the Open Call for Expression of Interest introducing the Recovery Equity Facility for Innovative Technology companies (“RE-FIT Facility”)

The document introduces the Recovery Equity Facility for Innovative Technology Companies (“RE-FIT”), a new initiative deployed in the context of [InnovFin Equity](#), aimed at alleviating the impact of the COVID-19 crisis on the venture capital market and in particular, the increased cash burn at the level of the portfolio companies. This document specifies and implements these measures in section 3. 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 RE-FIT Facility

The RE-FIT Facility described in this Addendum is available **only to existing InnovFin Financial Intermediaries** seeking additional investment capacity to support their portfolio companies impacted by the COVID-19 crisis.

Each proposal under the RE-FIT Facility will be assessed by EIF with regards to its contribution to the attainment of the RE-FIT Facility objectives, defined below. **RE-FIT Operations shall be approved by the EIF at the latest by 30 June 2021.**

### 2. Objectives of the RE-FIT Facility

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.

The RE-FIT Facility aims at providing InnovFin Financial Intermediaries with additional investment capacity necessary to support portfolio companies negatively impacted by the COVID-19 crisis. Such top-up is necessary to mitigate increased cash burn due to the COVID-19 crisis, which puts pressure on revenues, investment plans, employment preservation and company liquidity.

The RE-FIT Facility objectives are to contribute to:

- extending the runway of existing financially sound portfolio companies;
- assisting fund managers in avoiding potential fire sales of assets at depressed valuations to face immediate liquidity needs;
- ensuring the stability and availability of follow-on capital for further growth of performing companies.

### 3. Terms of the RE-FIT Facility

The below terms and conditions apply to the EIF commitment under RE-FIT Facility. Unless otherwise provided, the terms under the Investment Guidelines to the relevant Open Call for Expression of Interest applicable to InnovFin Equity also apply.

<b>RE-FIT Financial Intermediary</b>	An InnovFin Financial Intermediary with whom the EIF has entered into a RE-FIT Investment.
<b>RE-FIT Investment</b>	Means a top-up commitment to the InnovFin Investment entered into by the EIF and a RE-FIT Financial Intermediary in the form of either i) commitment to a RE-FIT Side Vehicle or ii) subscription of RE-FIT Shares as the case may be.
<b>RE-FIT Side Vehicle</b>	A special purpose vehicle established or to be established in the EU or Horizon 2020 Participating Countries as a side vehicle of the RE-FIT Financial Intermediary for the sole purpose of undertaking investments in RE-FIT Final Recipients.
<b>RE-FIT Shares</b>	A class of shares subscribed by the EIF on behalf of the RE-FIT Facility in the RE-FIT Intermediary, whose commitment may be drawn for the sole purpose of undertaking investments in RE-FIT Final Recipients.
<b>RE-FIT Investment Period</b>	The period during which the InnovFin Financial Intermediary may apply the amounts made available by EIF under the RE-FIT Investment towards investments in the RE-FIT Target Recipients, to be agreed with EIF.
<b>RE-FIT Investment size</b>	The RE-FIT Investment may constitute either (i) up to 100% of the commitments to the RE-FIT Side Vehicle, or (ii) up to 100% of the RE-FIT Shares and shall not exceed the higher of the following amounts: <ul style="list-style-type: none"> <li>• EUR 15m;</li> <li>• 20% of the aggregate total commitments of the InnovFin Financial Intermediary (including commitments to any parallel fund).</li> </ul>
<b>RE-FIT Co-investment</b>	The RE-FIT Financial Intermediary may invest the amounts drawn from the RE-FIT Investment in RE-FIT Target Recipients, provided that at least 10% of the aggregate investment in any RE-FIT Target Recipient is made, in that investment round, by: <ol style="list-style-type: none"> <li>a) the RE-FIT Financial Intermediary (i.e. the existing fund managed by the InnovFin Financial Intermediary), in case an investment in the RE-FIT Target Recipient is made out of the RE-FIT Side Vehicle, or</li> <li>b) the RE-FIT Financial Intermediary, in case the commitment made out of a share class different than the RE-FIT Shares</li> </ol>

<b>RE-FIT Ranking</b>	The RE-FIT Investment shall be entitled to the pro-rata and pari-passu distributions alongside the InnovFin Investment.
<b>RE-FIT Target Recipients</b>	Means an Eligible InnovFin Final Recipients as defined pursuant to the InnovFin Investment.
<b>Structuring Fees and expenses</b>	Any fees and expenses incurred in relation to the set-up of the RE-FIT Investment are to be borne by the InnovFin Financial Intermediary (i.e. the fund) unless otherwise set out under the RE-FIT Investment contractual documentation.
<b>RE-FIT Investment Remuneration</b>	RE-FIT Investment will be provided on a no fee/no-carried interest basis.

#### 4. How to Apply

Any existing InnovFin Financial Intermediary willing to receive an investment from the RE-FIT Facility shall fill out the form in Appendix 1 and send an email in order to prompt an assessment by EIF to: (i) [efsi\\_equity@eif.org](mailto:efsi_equity@eif.org) for InnovFin Financial Intermediaries established in the EU, and to (ii) [EUequityinstrument@eif.org](mailto:EUequityinstrument@eif.org) for InnovFin Financial Intermediaries established in the [Horizon 2020 Associated Countries](#).

For evaluation of applications, the EIF will rely substantially on the already performed due diligence of any existing InnovFin Financial Intermediary with the evaluation process focusing primarily on assessing the impact on the portfolio companies, or as the case may be part thereof, from Covid-19. The EIF reserves its right to request additional information and undertake additional assessment as part of its evaluation, including undertaking a full due diligence and compliance assessment, in case this is considered necessary.

Together with 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 on portfolio companies:

- 1.1. Requested commitment from RE-FIT Facility in addition to the existing commitment under InnovFin Equity
- 1.2. Rationale and scope of the resources requested in particular in light of Covid-19
- 1.3. Description of the enhanced strategy pursued targeted through the RE-FIT Facility
- 1.4. Description of the expected portfolio of RE-FIT Final Recipients to be targeted (type, stage, sector, needs, etc.)

Any eligible intermediaries interested in benefiting from the RE-FIT Facility shall first become financial intermediaries under InnovFin Equity following the regular application procedure. 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.

## Appendix 1 to the Expression of Interest

### APPLICANT ENTITY IDENTIFICATION

INFORMATION REQUIRED	
APPLYING FOR: Recovery Equity Facility for Innovative Technology companies ("RE-FIT Facility")	
NAME	
LEGAL FORM	
COUNTRY OF ESTABLISHMENT	
ARE YOU ALREADY FINANCED BY INNOVFIN EQUITY?	
<input type="checkbox"/> YES	
<input type="checkbox"/> NO <sup>1</sup>	

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

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<sup>1</sup> In case the applicant is willing to benefit from the RE-FIT Facility but is not yet an InnovFin financial intermediary, the applicant shall first submit an application to become an InnovFin financial intermediary