



# Introduction to Investments in Infectious Diseases

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# InnovFin Product Overview



SMEs	Midcaps	Large Caps	Thematic Finance	Advisory
InnovFin SME Guarantee	InnovFin MidCap Guarantee	InnovFin Large Projects	InnovFin Energy Demo Projects	InnovFin Advisory
InnovFin SME Venture Capital	InnovFin MidCap Growth Finance		InnovFin Infectious Diseases	
SMEs and small Mid-Caps < 500 Employees	Mid-Caps < 3,000 Employees	Large Caps Typically > 3,000 Employees	SPV, Mid-Caps and Large Caps	Public and Private Sector Promoters
Intermediated SME/Mid-Cap Financing	Intermediated and/or direct Corporate lending	Direct Corporate Lending	Project Finance and/or Direct Corporate Lending	Financial Advisory

direct products
  indirect products

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■ direct products

▒ indirect products

# How does InnovFin Infectious Diseases work?



- Broad range of products - standard debt instruments (i.e. senior, subordinated, and mezzanine) to risk sharing instruments (RSL) with forgiveness options
- EIB can only finance 50% of project costs
- Comprehensive due diligence (legal, financial, technical, etc.)
- EIB standard documentation under English or Luxembourgish law

# Which projects can be supported?

Eligible Projects

Infectious diseases

Innovative

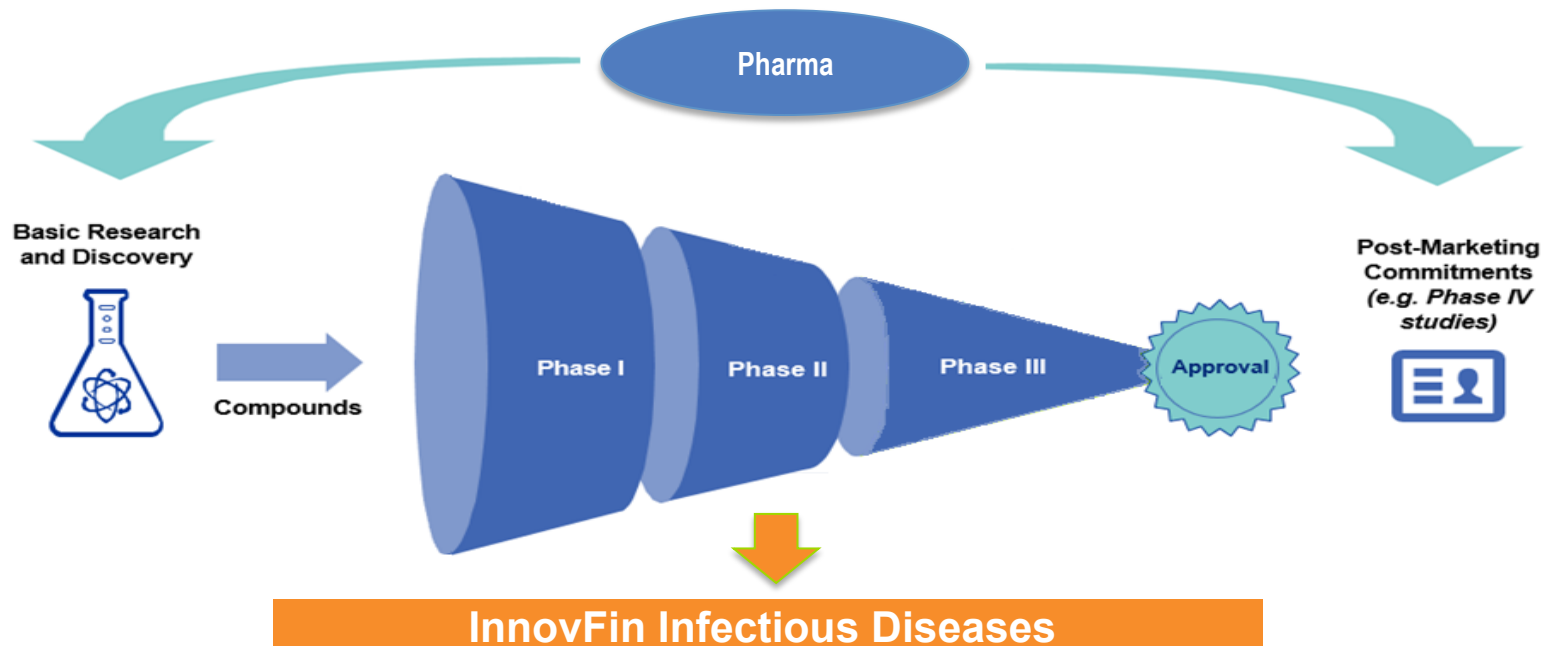
Vaccines, drugs

Medical and  
diagnostic devices

Manufacturing plants

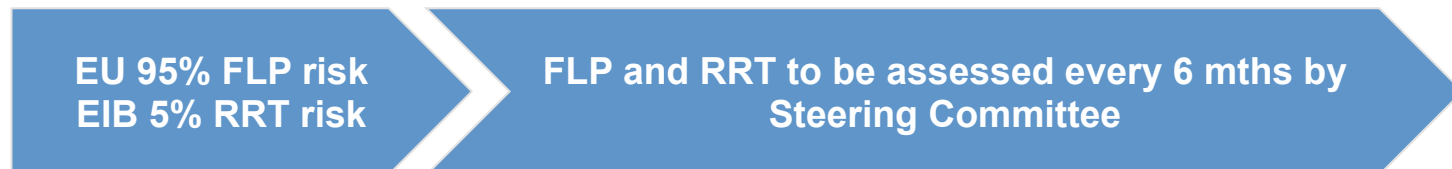
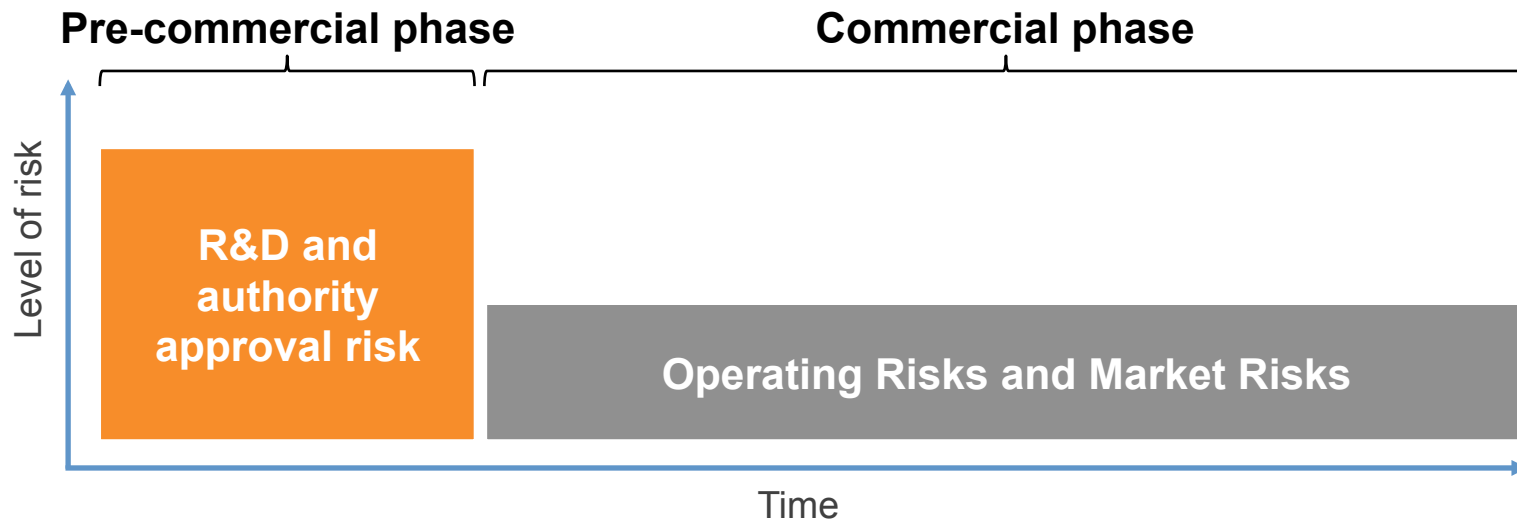
- Projects which have passed pre-clinical stage and for which clinical validation is needed for further development
- Loan amount: **min EUR 7.5m, max EUR 75m**
- Loan maturity: **up to 7 years**
- Currency: **EUR and local currency**
- Pricing : **commensurate to the risk incurred**

# Innovative vaccines and R&D financing



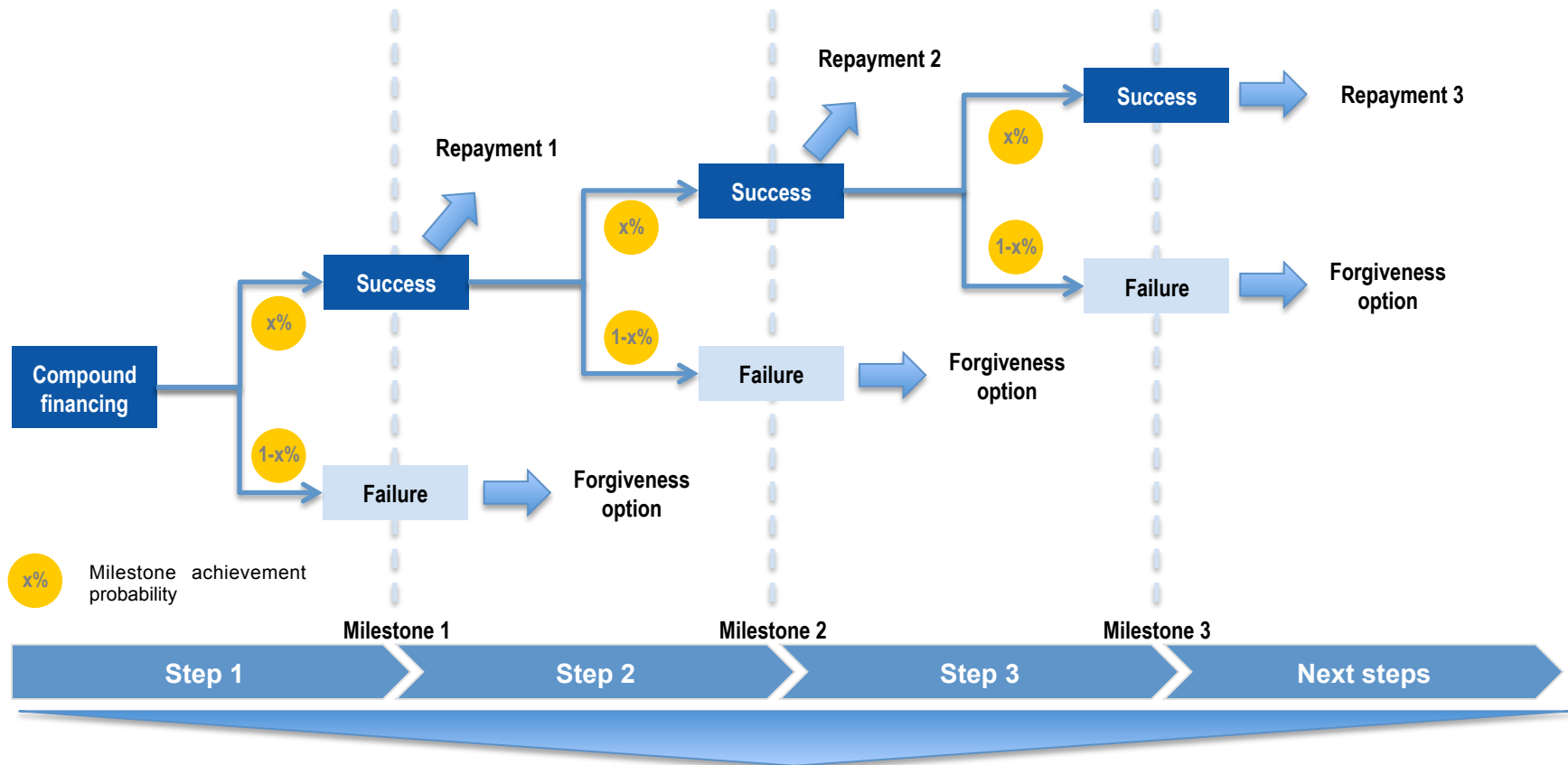
- Review of all Promoter's Infectious Diseases R&D activities
- Definition of risk-sharing portfolio (entire portfolio or sub-set of the most promising compounds incl. at least 5-10 different streams to diversify risk)

# EU - EIB Sharing of Risk



FLP – First loss piece  
RRT – Residual risk tranche

# Risk-Sharing-Loan Mechanism



Set up of development milestones/related payments to be structured to target, on a probability adjusted basis, the repayment of the RSL plus a return commensurate with the risk incurred



# Infectious Diseases Annex – Eligibility criteria (1/2)

## Geography

- ✓ Borrower must be established and/or operating in one or several of the Member States and H2020 Associated Countries (Participating Country)
- ✓ As long as the condition above is fulfilled, the Project and/or the IP development (e.g., clinical trials) can be undertaken outside a Participating Country

## Innovativeness

- ✓ The project has proven market potential and/or public health impact
- ✓ Proceeds must be invested in producing or developing innovative products, processes and/or services in the field of infectious diseases

## Validated technology

- ✓ The project must have gone successfully through the pre-clinical stage
- ✓ The project must be at pre-commercial stage

## Eligibility criteria (2/2)

### Timeline

- ✓ At the time the project is included under the facility, the projected start of commercial operation of the product is expected to happen within a period of maximum 4 years (not applicable in the case of RSL)

### Commitment

- ✓ Promoters must be willing to substantially co-fund the project (with at least 25% of the identified project costs) with own funds (shareholders' equity).