



c*funds has actively been working with the **EIF** to promote the possibilities for many startup accelerators, Angels and VC's to set up and manage their own investment funds (often the first funds). The innovation fund is meant to fuel investments, to boost growth and most importantly to enable a more free flow of investment capital beyond country borders.

c*funds has well established contacts with EIB and has strong track records on screening the documentation and guiding the preparation.

Most suitable customers:

- private equity owners (regardless from nation, also outside EU)
- BA's
- Social Impact Accelerators
- Startup Hubs
- VC's
- local and national governments



c*funds mainly focused on submitting innovation fund requests for the following 2 [EFSI Equity](#) programs.

- 1) The most fitting instrument for VC's is the so called Early Stage window of the EFSI Equity Instrument (**InnovFin**), which supports investments in early stage startups and small mid-caps operating in innovative sectors covered by Horizon 2020. Expression of interests (investment fund proposals) can be submitted before 5th of May 2018. After this the negotiations process starts and covers around 4-6 months. If approved, EIF co-invests in a range of 7,5-50% to catalyze private sector investments.
- 2) **Expansion and Growth Window.** Under the newly created 'Expansion and Growth Window', EIF provides equity investments to or alongside funds or other entities focusing directly or indirectly on later stage and multi-stage financing of SMEs and small mid-caps. Furthermore, for the first time, EIF provides investments with the intention to **generate a social impact, targeting social enterprises and social sector organisations** established or doing business in EU Member States.

Below is the general process description:

Setting up and sending a **concept of approximately 10 slides** on what would be the focus of the investment grant, including thematic and geographic topics, after which the EIF will (very likely) open up a negotiation with you after we have sent the draft. Include the following:

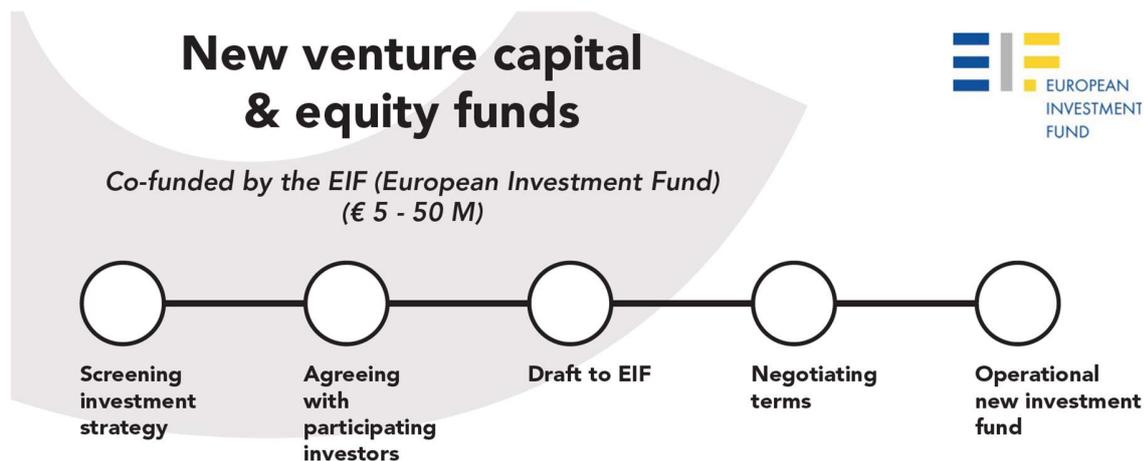
- Theme (drones, AI, IoT etc.) of the planned investment fund
- Demand/growth potential of the chosen sector/investment focus (evidence of ROI)
- Interested investors/public funds that would potentially commit if EIF signs off
- Duration of the fund (5 year is common)
- Potential fund manager (not necessary but can help)
- If available deal flows / track records of the biggest involved investors (success stories)
- Aimed size of the investment fund (1-50 M EUR)
- Aimed societal impact (if any)



- Who would be the beneficiaries of the fund; i.e. % of planned investment in early stage startups and scale-ups (what is the reason behind this share)
- What are the investment criteria set by the fund
- What is the expected ROI

In the **initial draft**, there is no need to choose one program yet, the EIF will navigate us to the best fitting investment program depending if we have public funding and/or societal impact included. **There is a cutoff date of 5th of May 2018 for the EFSI InnovFin Instrument and the principal “first come, first serve”** is applicable.

After the screening a **detailed investment fund plan** should be submitted; also in the form of a presentation (**35 slides**). Here more financial data is required and the intention of the investors to join should be clarified with an Lol. The Terms negotiations can start if EIF approves the concept. The EIF will come to the venue of the Fund Manager and Lead Investor to execute eligibility tests (**due diligence**) with accountants **for 2 days**. Actually what counts for the success is the **track record of the investors/credibility of well audited accounts**. If the due diligence of EIF is successfully executed a Contract for the Investment will be signed in Luxembourg and the Fund will be operational and co-funding of EIF will be transferred into the account of the Fund Manager.



Used Programs: EFSI Equity, Social Impact Accelerator (SIA)

Above is the regular process flow of **4-6 months** (negotiation work). c*funds acts as a process manager and first communication line with the team of EIF.