

DECLARATION of EIBG SUPPORT TO THE “European Tech Champions Initiative” formed under the pan-European Scale-up Initiative
Helping fund the European technology leaders of the future

Context

With the lack of late-stage financing slowing growth of European Union’s start-ups, it is essential for the EU’s sovereignty and prosperity for it to be able to develop global technology leaders, the emergence of which depends on access to funding.

While the European start-up ecosystem still lags behind the US and Asia, the issue is even more acute for what concerns scale-ups. Growth of the most promising European innovative companies is held back by the difficulty of raising sufficient capital from funds based in Europe. This concerns later stage rounds, for which investee companies are seeking to raise amounts of over EUR 100 million on the private markets. This is due to a lack of European funds specialising in this segment. The European Investment Bank Group (together the EIB and its subsidiary, the EIF) has a strong experience in supporting the ecosystem, especially by supporting VC funds and fund of funds, as well as providing venture debt financing towards individual companies, notably in strategic sectors such as cleantech, biotech and digital innovation.

Joint declaration dated hereof between European States

Reference is made to the Joint declaration for a pan European Scale-up initiative signed on the date hereof between European States setting out the main terms of an initial commitment to a fund of fund structure managed by the EIB Group (EIBG) under a mandate – the European Tech Champions Initiative (“ETCI”). The ETCI will support fulfilling the strategic objective of developing a European funding ecosystem that fosters the growth phase of innovative European technology companies by mobilising additional private investors through (initial) public commitments. In order for ETCI to become a truly pan-European initiative, the Contributing Partners will work towards mobilising additional initial commitments by further Member States.

Purpose of the Declaration

The purpose of this Declaration is for the EIB Group (“**EIBG**”), composed of both the European Investment Bank (“**EIB**”) and the European Investment Fund (“**EIF**”) to express its interest in supporting the Initiative, along with participating EU States and further Contributing Partners.

Nature of EIBG support

It is foreseen that EIBG support to the Initiative could take the following forms:

1. as adviser, manager and administrator, under a mandate, of a multi-investor fund of funds (“FoF”) which would invest i.a. in late-stage/growth private equity and venture capital funds managed by asset management companies headquartered and regulated in Europe, and investing mainly in European scale-up technology companies,
2. by way of a financial contribution to the ETCl, and
3. on a case by case basis through additional support for European companies fitting the scheme.

Amount and mechanism of EIBG support

Given the importance of the ETCl and in order to express EIBG immediate support to it while taking into account EIBGs current investment strategy and available resources, EIBG contribution to the ETCl could be made in two stages:

- at the launch of the ETCl by (partially) repurposing both EIB and EIF investment capacity for an aggregate amount of up to EUR 500m. For the avoidance of doubt, the EIBG financial contribution will be deployed during the term of the Initiative along with other investors
- as the ETCl evolves and other European Member States join, to propose an increased contribution by the EIBG.

Inclusion of additional Partners

EIB and EIF will be promptly informed of the inclusion of any additional Partners in the Initiative.

Non-binding nature of the Declaration

This Declaration constitutes a non-binding statement of the EIBG intentions. It is not intended to create any rights, obligations or liabilities under any laws and has no financial implications. It does not represent any legal commitment with regard to funding by EIBG. Any actual support to the ETCl by EIBG is subject to approvals by EIBG governing bodies.

Confidentiality

It is acknowledged that information of any kind that may be sent by the parties signing this Declaration in the context of the Initiative or this Declaration, in any form, shall be confidential. None of the parties signing this Declaration shall disclose to a third party any of the confidential information provided by another of the parties signing this Declaration without the latter’s prior written consent.

Notwithstanding the foregoing, each party signing this Declaration is authorised to disclose some or all of the confidential information that it may receive under this Declaration to its shareholders, other companies in its group, its directors, executives, employees, officers, auditors, potential service providers to, or potential investors in or alongside, the ETCI and other advisors or service providers who have a legitimate reason to know some or all of that information, as it deems necessary to fulfil its obligations under this Declaration.

This confidentiality undertaking shall expire at the earlier of (i) the end of a five-year period from the date of this Declaration and (ii) the creation of the ETCI.

For the purposes of the above, the following shall not constitute confidential information: (i) information that was already in the public domain before it was disclosed under this Declaration; (ii) information that may fall into the public domain after such disclosure but not as the result of a breach of this Declaration; (iii) information that was already legally in the possession of the receiving party before it was disclosed under this Declaration; (iv) information that the receiving party can lawfully prove that it received from third parties not bound by a confidentiality undertaking; (v) information that the receiving party is required to disclose under applicable laws or regulations or under any administrative, supervisory or legal decision binding on it.

Luxembourg, 8 February 2022

Two handwritten signatures in blue ink, one on the left and one on the right, both appearing to be cursive and stylized.

European Investment Bank Group

Werner Hoyer

President