

Conclusions

Framework operation #11 for SMEW-RIDW Joint Equity product – Enabling Sectors Sub-Product (Life-Science & Health)

INVEU-ICR-0047-2022 – SME & Research, Innovations and Digitation Windows

Short description of the financing or investment operation and its objectives

Final recipients	Projects, seed, start-ups, SMEs, Mid-Caps
Countr(ies) of implementation	Multi-country in the EU
Implementing partner	EIF

This Framework Operation, via its Sub-Projects, will be addressing some of Europe's most pressing health-related problems, contributing to improve people's wellbeing, strengthen European healthcare systems (clearly overwhelmed during the COVID-19 crisis), optimise their efficiency, and foster the development of innovative and affordable medicinal products and medical devices (75% of the current known diseases do not have any treatment). The Sub-Projects under this Framework Operation will play an instrumental role in favouring investments in R&D and bringing new solutions to the market dedicated to address the need for more effective and affordable medicines, development of preventive measures, increase remote monitoring and telehealth, support the digital transformation of the health care systems, as well as develop digital tools and services that will improve access to healthcare.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 7 July 2022 for the above-mentioned operation.

Risk capital investment volumes in life sciences are far from desired particularly for tech transfer (where ventures rely mostly on IP/intangible assets) and the scale-up segment. Products and services need long lead times to reach commercial and financial viability. Public intervention, at all levels is critical to ensure that the full business chain becomes organically sustainable, and in the long run, less dependable on public funding.

InvestEU is expected to provide a countercyclical source of funding to prevent innovation being left on the shelves and grow and scale European Life Sciences champions without relying on foreign investors (which often entails a departure from the EU).

The use of the InvestEU guarantee will allow the EIF to invest for the first time (and at a larger scale) in a number of Sub-Projects that otherwise would not have been able to support the risk exposure.

The role of cornerstone investor plays a catalytic effect on institutional investors in support of the existing or novel funds. This is expected to be instrumental in diversifying and enlarging the intermediaries' investor base with new investors for new market sector and/or geographies.

The Investment Committee underlines the strategic value of the sector for Europe to be supported with sufficiently sizeable InvestEU ticket that the EIF would otherwise not be able to provide.