



Addendum to the indicative Annex III to the Open Call for Expression of Interest introducing the new InnovFin Artificial Intelligence and Blockchain Technologies (AI/ BT) initiative

The Open Call for Expression of Interest introduces specific measures aimed at supporting investments in the AI/BT activities. This document specifies and implements these measures in sections 2, 3 of this Addendum. The measures complement or supersede the relevant terms and conditions set out in the [Annex III](#) to the Call. The other terms and condition set out in the [Investment guidelines](#) apply unless otherwise specified in this Addendum.

1. Applicability of the InnovFin AI/BT initiative

This document aims to describe the context and conditions for Artificial Intelligence and Blockchain Technologies investments that the EIF will be seeking as part of the [EFSI Equity Instrument](#), as well as to provide additional elements of considerations for investors operating in this area. It therefore does not replace the terms and conditions provided in the Call for Expression of Interest ("[the Call](#)"), which shall remain valid.

The Artificial Intelligence and Blockchain Technologies initiative will be deployed in EU Member States and observing the requirements and conditions set out by the EFSI¹.

2. Outline of InnovFin AI/BT initiative

Europe is home to a world-leading AI and Blockchain research community with vibrant start-ups and a wide range of traditional industries looking to adopt innovative processes and models based on these technologies. It is a priority for Europe to be at the forefront of the AI/BT development to remain competitive and improve people's lives, bringing major benefits to our society and economy.

To this end, the EIF together with the EC aims at stimulating EU's investments in this field by investing in risk capital funds whose strategies target AI/BT-related activities, as well as co-investments alongside equity funds into companies operating in the sector of AI/BT. These investment strategies can target AI or BT or both.

The resource allocation to potential funds and / or co-investments into companies will be considered on first-come-first-assessed basis of the expressions of interest depending on the merits of the proposal, until the earlier of: the exhaustion of the investment capacity of the product, and the 31st December 2020, or such other date as announced officially in the EFSI Equity Instrument's section on the EIF's website and in the EFSI Equity Instrument Call for Expression of Interest (the "Deadline").

¹ Notwithstanding, the InnovFin Equity will remain available to serve financial intermediaries, which do not meet the EFSI requirements, including the ones established or operating in all Horizon 2020 Participating Countries under terms and conditions set out in a separate document. Please refer to the Single EU Equity Instrument http://www.eif.org/what_we_do/equity/single_eu_equity_instrument/index.htm

3. New and amended terms and definitions

In order to introduce the InnovFin Equity AI/BT initiative set out in section 2 of this Addendum the following terms are added or amended below:

Artificial Intelligence (AI)	Artificial Intelligence refers to digital systems, based on software and/or hardware devices, that perceive their environment through data acquisition, interpret the collected data, reason on the knowledge, or process the information derived from this data and decide the best action(s) in the physical or digital dimension to achieve a given goal. AI systems can adapt their behaviour over time, including on the basis of previous actions or newly collected data. Particular applications of AI include speech recognition, natural language processing, data analytics, robotics or machine vision.
Blockchain technologies (BT)	Blockchain refers to both Distributed Ledger Technologies (DLT) and Blockchain, which are innovative techniques for recording and sharing data, through a distributed network of computer servers, in a more secure, autonomous, decentralised and transparent manner ² .
DLT	Means distributed ledger technologies.
InnovFin AI/BT Final Recipient	Means an InnovFin Final Recipient, which at the time of first investment by an InnovFin Financial (Sub-) Intermediary is (i) active in research, development or operation of AI/BT, (ii) or exploits AI/BT in order to research, develop or manufacture products or services, or (iii) transfers AI/BT across industries or sectors, or (iv) otherwise exploits AI/BT-based products or services. InnovFin AI/BT Final Recipients shall not pursue speculative investments into cryptocurrencies.
Minimum investment in AI/BT Final Recipients	Without prejudice to the Minimum Allocation as set out in Annex III – Investment Guidelines, InnovFin (Sub) Financial Intermediaries benefitting from the InnovFin AI/BT pilot shall commit to invest a minimum amount directly or indirectly in the relevant InnovFin AI/BT Final Recipients. Such a minimum amount is to be defined for each specific InnovFin (Sub) Financial Intermediary taking into account their respective investment strategy and sectoral focus but is expected to represent at least 2x the amount of EIF commitment under the InnovFin AI/BT.
Size of InnovFin Investment (amended)	Each InnovFin Investment shall represent up to 50% of the total commitment of the InnovFin Financial Intermediary, if the InnovFin Financial Intermediary undertakes investments in AI/BT-related activities.
Types of InnovFin Financial Intermediaries (amended)	InnovFin Financial Intermediaries focusing on Early and/or Growth Stage, including Multi-Stage Financial Intermediaries. These will typically include venture capital funds, business angels funds, technology transfer funds, fund-of-funds, investment funds investing in the area of Social Impact.

4. How to apply

Interested parties seeking to become financial intermediaries under InnovFin Equity and seeking investments in the AI/BT segment shall apply following the procedures outlined in the Call.

For further information, please send an email to efsi_equity@eif.org specifying that the query relates to the InnovFin Equity AI/BT.

² Speculative investments into crypto-currencies are excluded from the scope of the definition.

