

## Innovationskredit Hessen

The program is supported by the InnovFin SME Guarantee Facility, with the financial backing of the European Union under Horizon 2020 Financial Instruments and the European Fund for Strategic Investments (EFSI) set up under the Investment Plan for Europe. The purpose of EFSI is to help support financing and implementing productive investments in the European Union and to ensure increased access to financing. The financing is provided from funds of WIBank, for which, inter alia, low-cost refinancing means of the European Investment Bank (EIB) are used. The State of Hesse supports the program by means of a risk partnership with WIBank.

According to the conditions of the InnovFin SME Guarantee Facility only innovative enterprises can be supported, which means that one of the following innovation eligibility criteria has to apply:

1. The enterprise is an SME or a Small Mid-cap that intends to use Innovationskredit Hessen to invest in producing, developing or implementing new or substantially improved products, processes or services, or production or delivery methods, or organisational or process innovation including business models that are innovative and where there is a risk of technological, industrial or business failure as evidenced by an evaluation carried out by an external expert (i.e. chamber of commerce, trade or professional association).
2. The enterprise is a "fast-growing enterprise" which is operating in a market for less than 12 years following its first commercial sale and with an average annualised endogenous growth in employees or in turnover greater than 20% a year, over a three-year period, and with ten or more employees at the beginning of the observation period.
3. The enterprise has been operating in a market for less than 7 years following its first commercial sale and its R&I costs represent at least 5% of its total operating costs in at least one of the three years preceding the application for the Innovationskredit Hessen.
4. The enterprise's R&I annual expenses are equal or exceed 20% of the credit amount as per the latest statutory financial statements, under the condition that the business plan indicates an increase of its R&I expenses at least equal to the credit amount.
5. The enterprise undertakes to spend an amount at least equal to 80% of the credit amount on R&I activities as indicated in its business plan and the remainder on costs necessary to enable such activities.
6. The enterprise has been formally awarded grants, loans or guarantees from European R&I support schemes (e.g. Horizon 2020 or FP7) or through their funding instruments (e.g. Joint Technology Initiatives or "Eurostars") or regional, national research or innovation support schemes over the last thirty-six (36) months, under the condition that the Innovationskredit Hessen is not covering the same expense.
7. The enterprise has been awarded over the last twenty-four (24) months an R&D prize or Innovation prize provided by an EU institution or an EU body.
8. The enterprise has registered at least one patent in the last twenty-four (24) months, and the purpose of the Innovationskredit Hessen is to enable, directly or indirectly, the use of this technology right.
9. The enterprise requires a risk finance investment which, based on a business plan prepared in view of entering a new product or geographical market, is higher than 50% of its average annual turnover in the preceding 5 years.
10. For SME: The R&I costs represent at least 10% of the total operating costs in at least one of the three years preceding the application for the Innovationskredit Hessen.
11. For Small Mid-caps: The R&I costs represent:
  - either, at least 15% of the total operating costs in at least one of the three years preceding the application for the Innovationskredit Hessen or
  - at least 10% per year of the total operating costs in the three years preceding the application for the Innovationskredit Hessen.
12. The enterprise is an early stage SME and has received an investment over the last twenty-four (24) months from a venture capital investor or from a business angel being a member of a business angels network; or such venture capital investor or business angel is a shareholder of the enterprise at the time of the application for the Innovationskredit Hessen.