

	Innovation criteria for SME and Small Mid-Cap
Innovation products/processes	The Final Recipient intends to use the Final Recipient Transaction to invest in producing or developing or implementing new or substantially improved (i) products, processes or services, or (ii) production or delivery methods, or (iii) organizational process innovation including business models that are innovative and where there is a risk of technological or industrial or business failure as evidenced by an evaluation carried out by an external expert
Fast-growing enterprise	The Final Recipient is a “fast-growing enterprise”, which is an SME or a Small Mid-cap 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
R&I Costs 5%	The Final Recipient has been operating in a market for less than 7 years following its first commercial sale and its R&I Cost represent at least 5% of its total operating costs in at least one of the three years preceding the Final Recipient’s application for the Final Recipient Transaction, or in the case of an enterprise (and particularly a start-up) without any financial history, according to its current financial statements
Innovation expenses	The Final Recipient’s R&I annual expenses are equal or exceed 20% of the Final Recipient Transaction amount as per Final Recipient’s latest statutory financial statements, under the condition that the Final Recipient’s business plan indicates an increase of its R&I expenses at least equal to the Financial Recipient Transaction amount
80% R&D and/or innovation	The Final Recipient undertakes to spend an amount at least equal to 80% of the Final Recipient Transaction amount on R&I activities as indicated in its business plan and the remainder on costs necessary to enable such activities
Innovation support	The Final Recipient 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 36 months, under the condition that the Final Recipient Transaction is not covering the same expense
Innovation prize	The Final Recipient has been awarded over the last 24 months an R&D prize or Innovation prize provided by an EU institution or an EU body
Patent	The Final Recipient has registered at least one technology right in the last 24 months, and the Final Recipient Transaction purpose is to enable, directly or indirectly, the use of this technology right
Venture-capital	The Final Recipient is an early stage SME and has received an investment over the last 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 Final Recipient at the time of the Final Recipient’s application for the Final Recipient Transaction

Risk finance investment	The Final Recipient 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
R&I Costs 10%	The Final Recipient's R&I Costs represent at least 10% of its total operating costs in at least one of the three years preceding the Final Recipient's application for the Final Recipient Transaction, or in the case of an enterprise without any financial history, as per its current financial statements; or (i) the Final Recipient is a Small Mid-cap and its R&I Costs represent: (A) either, at least 15% of its total operating costs in at least one of the three years preceding the Final Recipient's application for the Final Recipient Transaction; (B) or, at least 10% per year of its total operating costs in the three years preceding the Final Recipient's application for the Final Recipient Transaction.
Support measures	The Final Recipient has incurred R&I expenses qualified in the past 36 months by competent national or regional bodies or institutions as part of general support measures approved by the European Commission and designed to incentivize companies to invest in R&I, provided that i) such body or institution is independent of the Financial Intermediary and the Final Recipient and ii) the Final Recipient Transaction covers incremental expenditure as indicated in the Final Recipient's business plan and iii) the Final Recipient Transaction is not covering the same eligible costs already supported by aforementioned measures
Innovative company	The Final Recipient has been designated in the past 36 months as an innovative company by an EU or national or regional institution or body, provided that in each case (A) the designation is based on the publicly available criteria where such criteria: <ul style="list-style-type: none"> •shall not be limited to or otherwise favour any particular industry or sector, and •shall reflect at least one of the Innovation Eligibility Criteria except the Innovation Eligibility Criterion referred to in item (iv) (d), or shall reflect the substance of at least one of these criteria but shall not be less stringent; and (B) the body or institution is independent of the Financial Intermediary and the Final Recipient; and (C) the Final Recipient Transaction covers incremental expenditure as indicated in the Final Recipient's business plan.