



InnovFin SME Guarantee
OP Intermediates
150M€ New Financing
for Innovative and Fast growing enterprises

InnovFin SME Guarantee

EIF Risk Sharing Guarantee to promote investments

- InnovFin SME Guarantee is a financing instrument provided by EIB Group.
- The aim of InnovFin is to improve access to debt financing for innovative small and small midcap sized enterprises by reducing credit risk and capital consumption.
- InnovFin SME Guarantee has been allocated as part of EFSI (European Fund for Strategic Investments).
- EFSI is a joint initiative of EU Commission and EIB Group. EFSI aims to revive investment in Europe, to increase private support for investments and boost growth and employment in Europe.
- The facility is implemented by the European Investment Fund (EIF), who provides risk sharing guarantee on debt financing arranged by OP as an intermediary bank.
- SME's have access to InnovFin via financial intermediaries like OP.

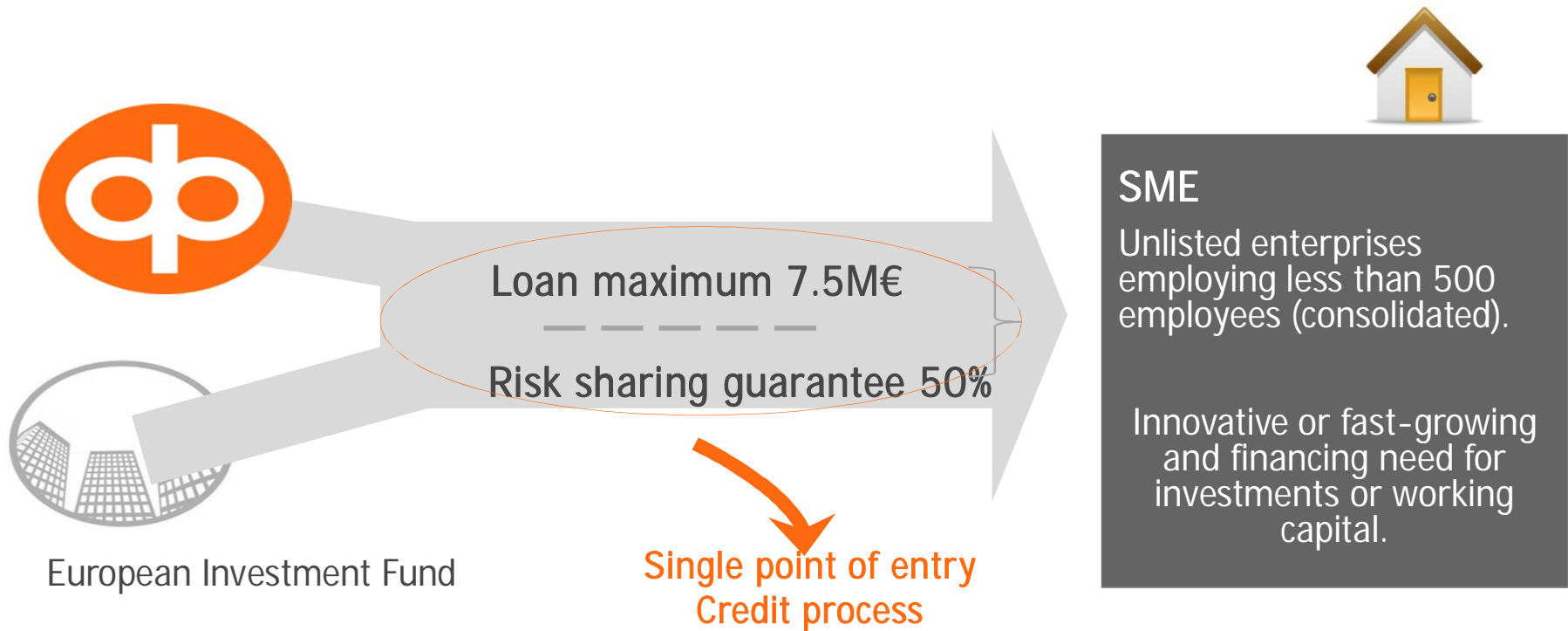
InnovFin SME Guarantee

OP the First Financial Intermediary in Finland

- Enables new lending of 150M€ in Finland and Baltics
- Availability of 2 years.
- EIF provides risk sharing guarantee for 50% of the loan capital.
- Targeting innovative or fast growing SME and Small MidCap enterprises.
- Full delegation to OP for origination, credit decisions and servicing.
- Senior loan product meant for bankable and financially sound investments.



150M€ New Lending for Innovative Companies



EU financing tools available on favourable terms for SME's.

InnovFin SME Guarantee

OP's Target in Baltic Countries

- Cross-border Agreement between OP and EIF covering Finland, Estonia, Latvia and Lithuania
- Initial start and build-up in Finland and to be further extended to Baltics.
- Targeted scope - limited branch network and resources
- No preagreed allocation between countries
 - Initial target min 20M€ in Baltics depending on eligible demand
- The preferred target
 - Innovative and fast-growing SME's already evidencing cash flow
 - Minimum loan amount 1M€



What kind of transactions can benefit?

- ✓ Borrower criteria
 - ✓ SME or Small MidCap
 - ✓ Nature of business
- ✓ Innovation criteria
 - ✓ Compliance with at least one
- ✓ Financing criteria
 - ✓ Maturity, amount, loan product
 - ✓ Purpose
- ✓ Risk profile
 - ✓ InnovFin is a senior loan product
 - ✓ For financially sound investments
 - ✓ Targeted mainly for growth and not for early stage financing



Growth and investments via InnovFin SME

Facility is targeted for fast growing or innovative corporates and financially sound investments.

- ✓ **SME**
 - ✓ less than 250 employees and turnover max 50M€ or balance sheet max 43M€.
- ✓ **Small Mid-cap**
 - ✓ 250-499 employees.
- ✓ "Fast growing" defined by increase in turnover

Eligible for **new** loans, revolving facilities and financial leasing.

Wide purpose for working capital, investments and acquisitions.

Maturity maximum of 10 years ja loan amount
25.000 – 7.500.000 €.

Collaterals agreed case by case.

Available for Finnish and Baltic corporates.

Eligibility Criteria

(Reviewed case by case)

- ✓ Compliance with SME or Small MidCap definition
- ✓ Summary of Innovation and Growth criteria (the minimum of one)
- “Innovation Eligibility Criteria”:
 1. the borrower intends to use the loan to invest in producing or developing new or substantially improved products, processes or services that are innovative;
 2. the Borrower is a "fast-growing enterprise" operating in a market for less than 12 years following its first commercial sale and with an average annualised 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 Borrower 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;

Eligibility Criteria (Reviewed case by case)

4. The Borrower has significant innovation potential or be an "R&I-intensive enterprise", by satisfying at least one of the following conditions:
- R&I annual expenses are equal or exceed 20% of the loan 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 loan amount;
 - the Borrower undertakes to spend an amount at least equal to 80% of the loan amount on R&I activities as indicated in its business plan and the remainder on costs necessary to enable such activities;
 - the Borrower has been formally awarded grants, loans or guarantees from European R&I support schemes or through their funding or regional, national research or innovation support schemes over the last thirty-six (36) months;
 - the Borrower has been awarded over the last 24 months an R&D prize or Innovation prize provided by an EU institution or an EU body;
 - the Borrower has registered at least one technology right in the last 24 months, and the loan purpose is to enable, directly or indirectly, the use of this technology right;
 - the Borrower 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 Borrower at the time of the application;
 - the Borrower 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;
 - the Borrower's R&I Costs represent at least 10% of its total operating costs in at least one of the 3 years preceding the application; or
 - The Borrower is Small Mid-cap and its R&I Costs represent and, either
 - at least 15% of its total operating costs in at least one of the 3 years preceding the application; or
 - at least 10% per year of its total operating costs in the 3 years preceding the application.

Benefits for the Borrower

- ✓ Increases availability of financing for SME's and Small Midcaps
- ✓ Supports growth and innovation
- ✓ Decreases cost of financing
 - ✓ Financial benefit of capital relief (for 50% of the loan amount) transferred transparently to the borrower in margin
 - ✓ Attractive and fixed guarantee fee
 - ✓ 0,50% if less than 250 employees
 - ✓ 0,80% if 250-500 employees
- ✓ One point of entry – whole process with OP

OP in Baltics

InnovFin SME is a great opportunity for OP to boost investments that increase financial growth and employment in Baltics.

Born to be owned by customers.

