



Finnvera's Digitalisation & Innovation loan

Our targeted product for financing
Innovation & Digitalisation



FINNVERA



Agenda

Finnvera's take on financing
Innovation & Digitalisation

Buckle Up – a lot of slides in quite
limited time

- Finnvera in brief
- Product Overview, what is our justification to use the product
- Risk Sharing structure providing the vital risk coverage for Finnvera
- Practical Examples and Use Cases
- What next? How do we see the product's future looks like



Finnvera in Brief

We are Finnvera

Our mission is to secure the success of Finnish businesses and strengthen their competitiveness. Finnvera helps companies take the next step.

4

381

Employees

What do we do?

Finnvera serves as a crucial piece of the financing puzzle: we help create new beginnings, growth, and international success stories.

We are Finland's export credit agency and National Promotional Bank.

What do we not do?

We don't compete with commercial financiers. That's why we mostly operate with guarantees. Only in justified situations, we use direct lending

Ownership steering

Our operations are guided by the Ministry of Economic Affairs and Employment.



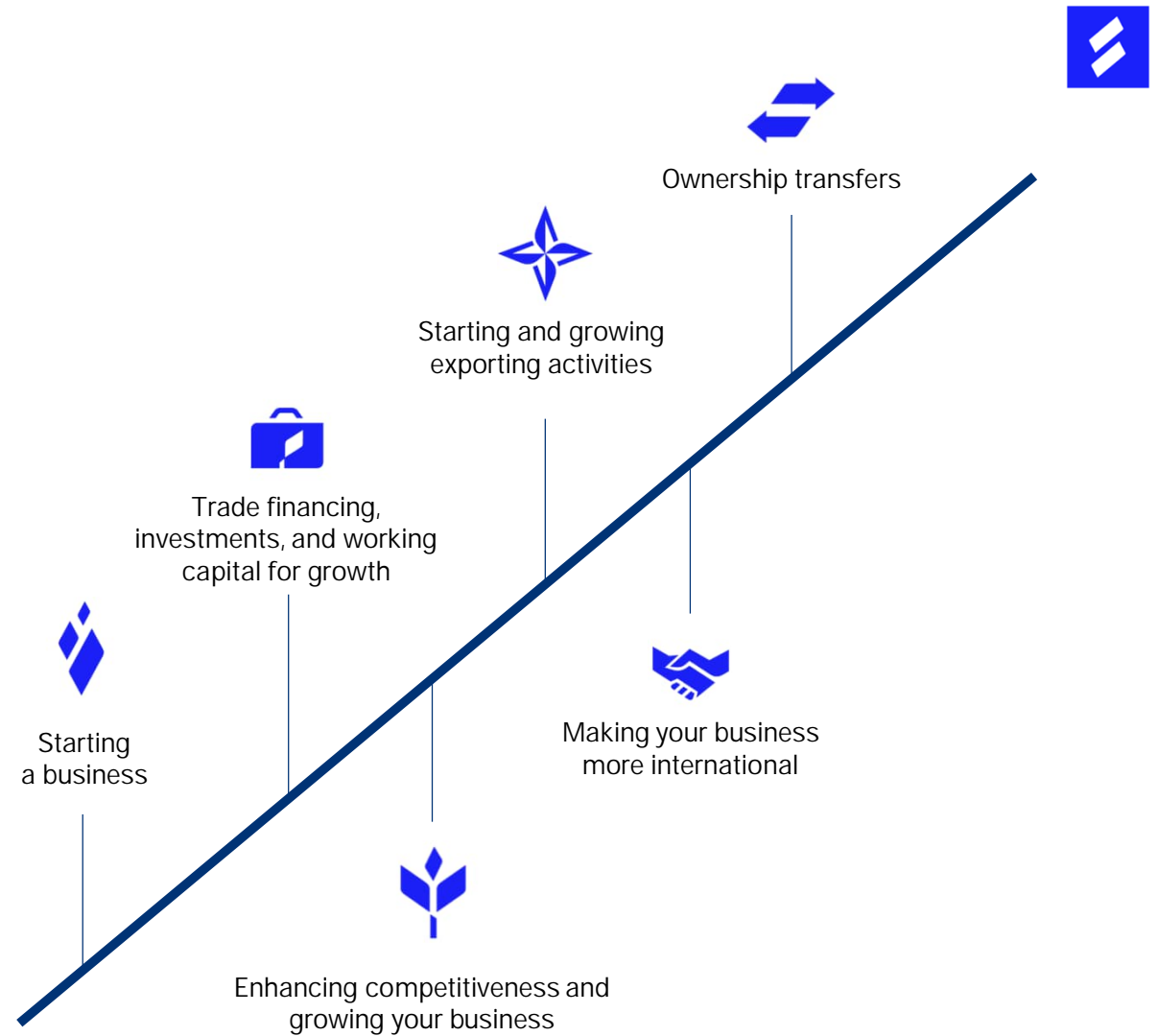
Self-sustainability

Our goal is to cover the costs of our operations with the revenue generated by our activities. We ensure our self-sustainability with controlled risk-taking.

FINNVERA

Where can we help?

Together with our cooperation network, we ensure that we find the solutions that best suit company's present stage of development.



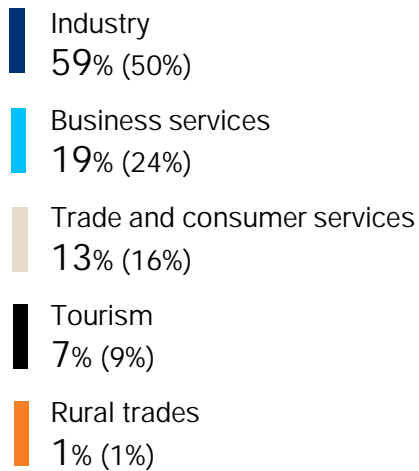


How we divide our financing

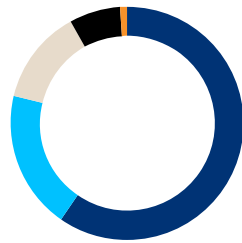
Figures for 30 June 2024 (30 June 2023)

Domestic financing

Responsibilities by sector:
loans and guarantees



0.5 billion
EUR
GRANTED FINANCING



3.0 billion
EUR
EXPOSURE

Loans and guarantees

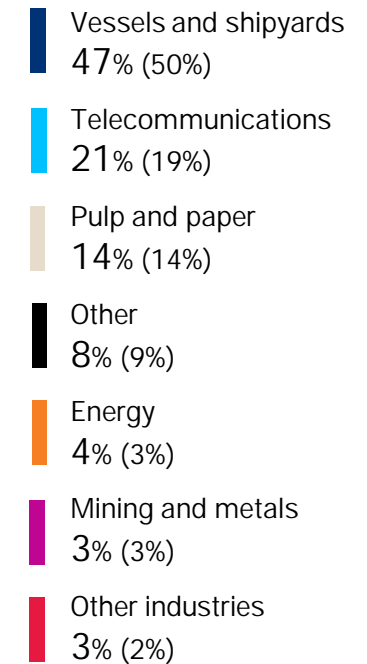
1.8 billion
EUR
GRANTED FINANCING

24.3 billion
EUR
EXPOSURE

Export credit guarantees, export guarantees
and special guarantees

Export financing

Responsibilities by sector:
export credit guarantees,
export guarantees and special
guarantees



Product Overview

what is our justification to use the product

What we ask ourselves:

Is there a market failure and how should it be addressed?

In this case, we at Finnvera have noted that our local banks are unable to lend to start-ups & scaleups close to commercialization. Mostly because:

1. Tightening bank regulation
2. Banks primarily provide financing only if they can verify with sufficient certainty that the customer's repayment capacity is adequate to meet their loan obligations.
3. Repayment capacity is more uncertain when the customer's market is still emerging, and/or the technology they are using is unproven.
4. Additionally, in Finland the lending market is bank-centric. As well, we have only a handful of banks in the market, and in some parts of the country, there may be only one.

Introducing new or higher covering guarantees to the market does not help, these would not improve companies' repayment capacity forecasts.

Direct lending as the solution

Lending offers something what we cannot achieve with guarantees.

- We believed that such a thematic product should also be attractively priced while at the same time reduce risk for commercial participation in the project.
- We noted that the EIF's Innovation & Digitalisation guarantee portfolio product would be suitable for us.
- The EIF risk sharing also gave us a definition for innovative and / or digital projects



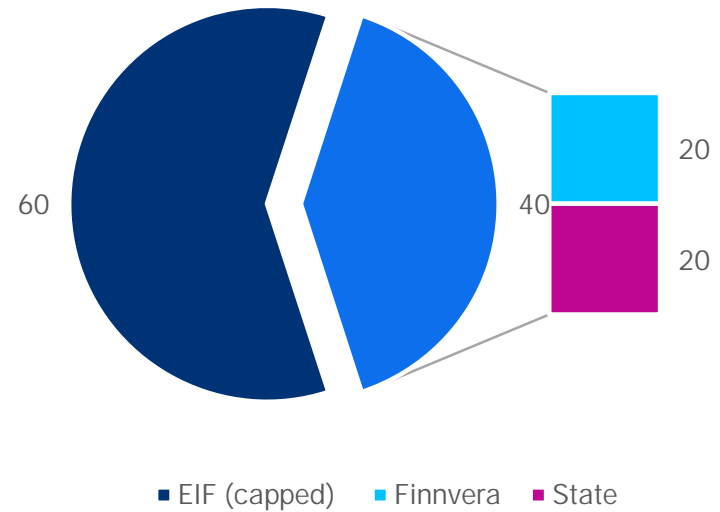
Risk Sharing structure

providing the vital risk coverage



Product features & EIF risk sharing

PRODUCT FEATURES	Digitalisation and Innovation Loan
EIF guarantee product	Innovation and Digitalization Portfolio Guarantee Product
EIF portfolio size (EUR)	mEUR 70 (top-up is in negotiations)
EIF guarantee rate (at transaction level)	60%
Max. EUR amount of loans granted by Finnvera	mEUR 116,67
Loan amount	EUR 150.000 – 2.000.000
Collaterals	Unsecured
Pricing	EIF guarantee considered in the pricing as a discount factor.
Eligible purposes	<ul style="list-style-type: none">• innovative products or processes• digital and innovative business models• enhancing digitalisation in supply chain management• developing products, processes or services using digital technologies• digital customer relationship management• digital business development
Inclusion Period	Until 31.5.2025 (extension is in negotiations)



As of Jan 2025 we have used some 71% of the EIF portfolio

Practical examples

Real life cases where this product has been used



CurifyLabs Oy

Established in 2021

Key Figures 12/2023

Revenue:	161 KEUR
EBITDA	-542 KEUR
EBIT	-556 KEUR
Equity	1904 KEUR
Business Finland R&D loan	1000 KEUR
EIC –grant	2500 KEUR

- Business idea is printing-based technology for medicines which allows pharmacies to manufacture individual and personalised medicines quickly and accurately
- In the company's earning model, the company rents a 3D printer and quality assurance tools for a monthly fee to the customer and a commission is charged for each drug printed (the customer buys ingredients of medicines); in the second option, the company rents a 3D printer from a partner and re-releases it to the customer.
- The funding need was for the digital process platform for construction to manufacture customized medicines for pharmacies;
 - A) expanding the backend architecture and software of the software platform to support new ones measuring devices, interfaces and digital functionalities
 - B) development of medical inks and their digital dosing
- Financial need was 1,4 meur and financial structure was
 - A) New equity 0,5 meur and
 - B) InvestEU-loan 0,9 meur (criteria ID21). No bank was involved
- InvestEU-loan accelerates the company's development work and market entry. In this way, the company gets a clear advantage over its competitors
- 17-99 min time saving for one prescription on average 30 minutes time saved per prescription $\$0,36$ (salary cost per minute) * 30 (min) = $\$10,80$ cost reduction per prescription Example: If all US based compounding and hospital pharmacies automated compounding, it would:
 - save 21 900 000 employee hours per year
 - reduce costs by \$ 1 296 000 per day
 - reduce costs annually by \$ 473 040 000



Capalo AI Oy

Established in 2022

Key Figures 12/2023

Revenue:	222 KEUR
EBITDA	-267 KEUR
EBIT	-272 KEUR
Equity	690 KEUR
Business Finland R&D loan	500 KEUR & 750 KEUR
Grants	258 KEUR

- 02/2025 3,75 mEUR equity round
- 12/2025 estimated turnover with existing contracts 1,5 mEUR and target based on ongoing negotiations 5mEUR with positive EBIT.

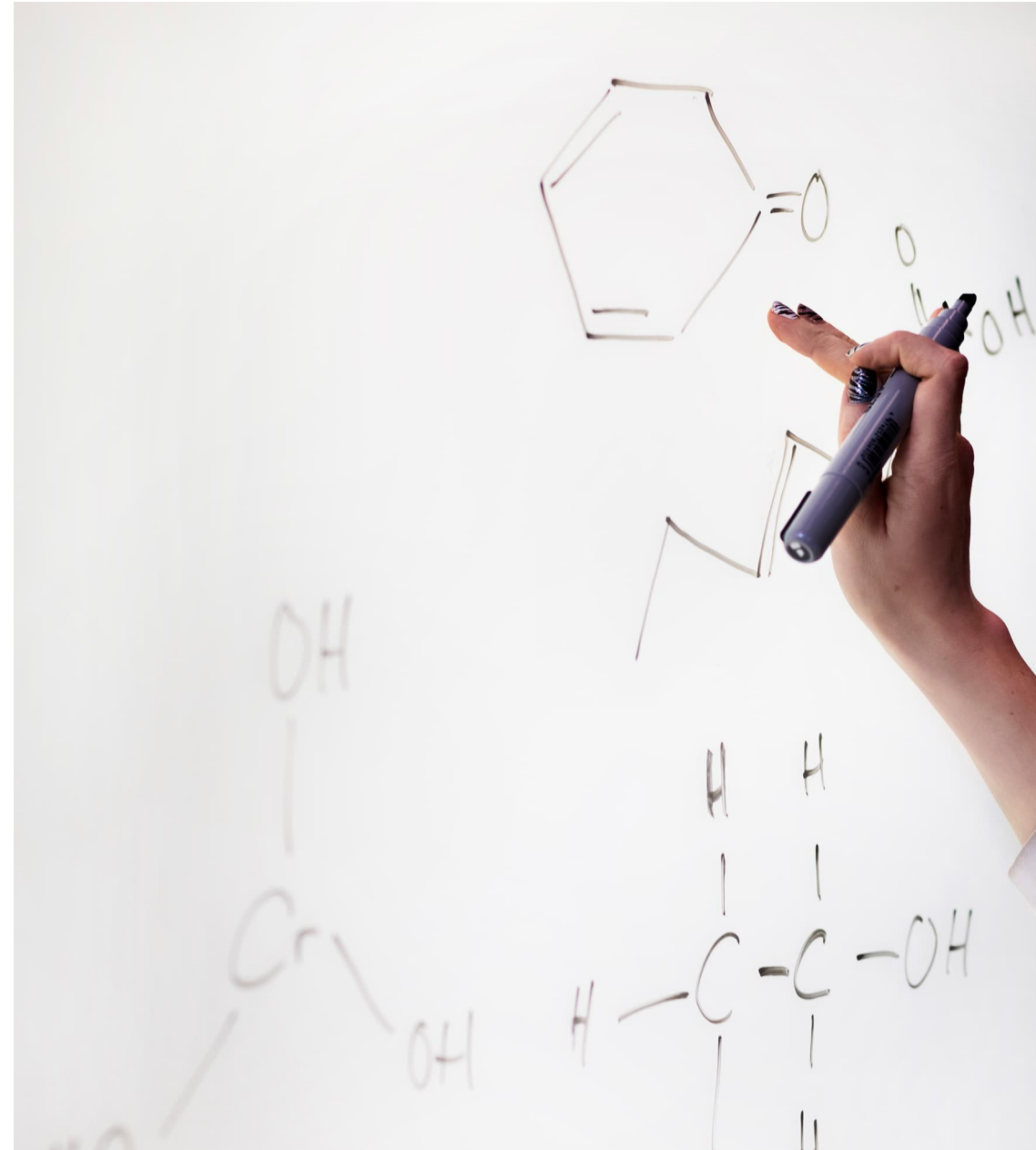
- Capalo AI is a sustainable tech company that maximizes the value of flexible assets and energy storage systems across multiple markets. They combine the most accurate forecast data with cutting-edge AI models.
- Capalo AI manages its customers' batteries and decides when they should be charged and discharged. The optimization system developed by Capalo manages the batteries automatically. The decisions made by the system are based on factors such as weather parameters, including wind, sun and temperature, because they have a major effect on both power generation and consumption.
- Company applied funding for their product development project, where the flexible energy resources can be aggregated into so-called virtual power plants (VPP) where different-sized batteries are pooled together and traded in the energy market. Capalo AI manages the operations of such VPPs to make them as optimal as possible.
- Financial need was 2 mEUR and financial structure was 400 kEUR new equity and 1,6 mEUR InvestEU-loan (criteria ID21).
- InvestEU loan enabled the product development project to be implemented. It is ready now and the company has signed a significant cooperation agreement with a Finnish energy company.

What next

What do we see the product's future like

Continuation & expansion of the product in 2025

- Experiences have been positive so far. The product meets the expectations we had set during product design. Conditions for future utilization:
 - I. Top-up to the EIF portfolio volume
 - II. Extension of Inclusion Period
 - III. New criteria enabling certain thematic investments that have not been possible earlier





Thank you for your interest

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