

EIF in Finland



■ Total commitments (2011-31.03.2016)
■ Expected mobilised resources (2011-31.03.2016)

Key figures (at 31.03.2016)

- First EIF operation in Finland: 1999
- 24 Finnish private equity funds
- 4 partner finance and guarantee providers
- Over 5,000 Finnish companies supported

Equity

EIF has been a cornerstone investor in the Finnish venture capital and private equity markets for over a decade, covering a wide range of equity products, from early-stage operations to mezzanine funding, giving Finnish companies the opportunity to expand into Nordic and European markets. One of EIF's most recent investments (Open Ocean Fund IV) also benefits from the European Fund for Strategic Investments (EFSI), which is at the heart of the Investment Plan for Europe.

Since 2011 EIF has committed EUR 170m into 7 venture capital and private equity funds leveraging around EUR 650m of investments to Finnish SMEs. In total, EIF has invested into 22 equity funds managed by partners in Finland, with more than 240 Finnish SMEs, such as Protie and Pihlajalinn, receiving financing from EIF-backed funds.

To fill the funding gap experienced by early stage companies and to foster innovation, EIF has in recent years invested resources from the Competitiveness and Innovation Framework Programme (CIP) into Conor Technology Fund II, Inventure Funds I and II and Open Ocean Fund III, which target innovative ICT companies, and into Power Fund III to support SMEs in the cleantech sector.

In July 2015, the Social Impact Accelerator (SIA), a pan-European public-private partnership for social impact investing, reached its final closing at the size of EUR 243m, combining resources from the EIB Group and external investors, including Sitra, the Finnish public fund. The additional commitment from Sitra contributes to diversifying SIA's source of funding, especially in the Nordic region.

Guarantees and securitisation

EIF's offering of guarantee products in Finland has in recent years been limited to one intermediary, Finnvera, the national specialised financing company and the official Export Credit Agency. EIF backed guarantee transactions under the European Commission's MAP Programme (2001-2005) enabled Finnvera to support its risk-taking capacity and thus enhance access to finance for the start, growth and internationalisation of Finnish enterprises.

In March 2016, Pohjola Bank, as part of the OP Financial Group, and EIF signed a guarantee agreement covering a portfolio of new lending to SMEs and small mid-caps under the InnovFin SME Guarantee Facility. The agreement, which also benefits from EFSI support, will allow the OP Group and its 180 cooperative member banks to support innovative SMEs and small mid-caps with EUR 150m of new lending.

EIF at a glance

The European Investment Fund (EIF) is Europe's leading risk finance provider for small and medium-sized enterprises (SMEs) and mid-caps, with a central mission to facilitate their access to finance. As part of the European Investment Bank (EIB) Group, EIF designs, promotes and implements equity and debt financial instruments which specifically target the needs of these market segments.

In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment. EIF manages resources on behalf of the EIB, the European Commission, national and regional authorities and other third parties. EIF support to enterprises is provided through a wide range of selected financial intermediaries across Europe. Since its inception in 1994, EIF has supported over 1.8 million SMEs.

EIF is a public-private partnership whose tripartite shareholding structure includes the EIB, the European Union represented by the European Commission and various public and private financial institutions from European Union Member States and Turkey.

For further information visit www.eif.org.

Case study

Pihlajalinnä is one of many companies who have benefited from EIF's support. EIF allowed Sentica to give Pihlajalinnä the capital to grow its business.

Nothing is more valuable than good health, so getting efficient, professional, trustworthy and comprehensive healthcare when things go wrong is crucial. This is a service that Pihlajalinnä, one of Finland's largest healthcare providers, strives to achieve.

Founded in 2001, Pihlajalinnä initially focused on placing locum doctors on behalf of local authorities in the Tampere region. Today staffing services is only a minor part of Pihlajalinnä's business and over the recent years, with the help of Finnish fund manager Sentica, a team which is supported by EIF, Pihlajalinnä has expanded its geographical reach and service offering. Pihlajalinnä offers private health care services including occupational health, dental clinics and surgical services. The fastest growing segment of Pihlajalinnä's business is outsourcing services provided for municipalities, such services may include outpatient clinics or fully outsourced social care and health care services.

"Pihlajalinnä has taken on board highly qualified professionals and well regarded operators who by joining forces with us enabled us to provide across the board services to patients in each of the clinics we operate. This enables us to dispense quality care as our aim is to offer the best to our patients" says Mikko Wirén CEO and founder of Pihlajalinnä.

Pihlajalinnä is the only publicly listed healthcare services provider in Finland.



Company:
Pihlajalinnä, Finland

Type of business:
Healthcare

Investment through
Sentica Buyout Fund III

European Investment Fund

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