

EIF IN GREECE



Investing in
the future
of Greek SMEs



What is the EIF?

The European Investment Fund (EIF) helps small and medium-sized enterprises (SMEs) grow and prosper in Europe, promoting innovation, supporting employment and improving the economy.

As part of the European Investment Bank (EIB) Group, we design and deploy financial instruments, which enable banks and funds (financial intermediaries) to better serve SMEs.

As a result, we attract more private capital into the SME space, we kick-start new financing markets and ecosystems, and ultimately make more financing available to SMEs across the EU and associated countries.

The EIF manages resources on behalf of the EIB, the European Commission (EC), national and regional authorities and other third parties.

The EIF is a public-private partnership whose tripartite shareholding structure includes the EIB, the EU represented by the European Commission and various public and private financial institutions including the National Bank of Greece.

10.1 billion€

of transactions signed across the EU and associated countries in 2018

EIF in Greece

Investing in the future of Greek SMEs



EIF: Investing in the future of Greek SMEs

Greece is an important area of activity for the EIF. We carried out our first operations in Greece in 2001. Since then, EIF signed transactions have supported more than 11,500 Greek SMEs.

However, we can always do more. Now, EquiFund is sustaining a thriving entrepreneurial culture in Greece by channelling more than EUR 300m and mobilising private investments into the development of a venture capital ecosystem.

Outside of equity financing, the EIF has increased its support of bank lending to SMEs in Greece. Since mid-2016, we have signed transactions with all four systemic banks in the country, as well as four cooperative banks and one foreign bank.

Most EU programmes managed by EIF have a presence in Greece, including COSME, InnovFin and EaSI.

Meanwhile, funds from the European Fund for Strategic Investments (EFSI) have supported nearly all of the transactions signed in the last 3 years in the country.

Read on to see how these programmes have helped finance some of Greece's success stories.



Why are SMEs so important to the Greek economy?

Across Greece and the EU as a whole, up to 99% of all enterprises are small or medium-sized. These businesses are key to ensuring economic growth, innovation, social integration and perhaps most importantly, job creation.

This is why the EU, together with its partners, works to ensure the future of SMEs.



EFSI*

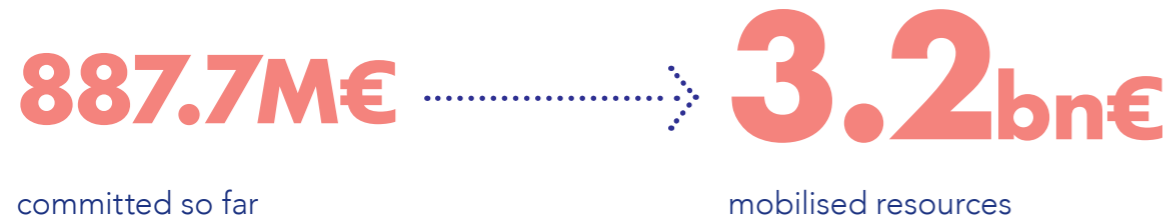
6,471 SMEs in Greece have received financing under the European Fund for Strategic Investments - EFSI SME Window. 13 transactions focusing on Greece have been approved, which have committed EUR 406m in the country, aiming to mobilise more than EUR 3.7bn.

*as of December 2018.

406M€
COMMITTED

Key figures in Greece

Guarantees, securitisation and funded instruments



Microfinance and social entrepreneurship

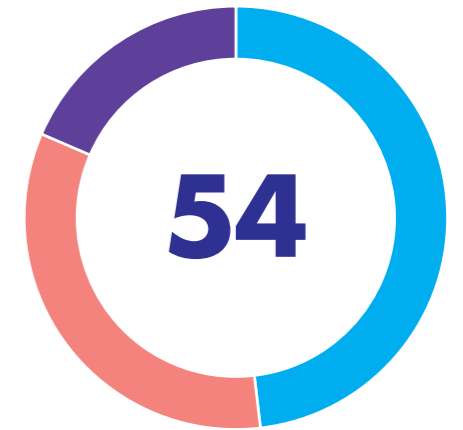


Equity



Number of transactions

- 26 Guarantees, securitisation and funded instruments
- 18 Equity
- 10 Microfinance and social entrepreneurship



Figures as of December 2018

Over **1.3 billion€** committed since inception, aimed at mobilising

4 billion€

11,500 GREEK SMEs have benefited from EIF transactions so far

Highlights

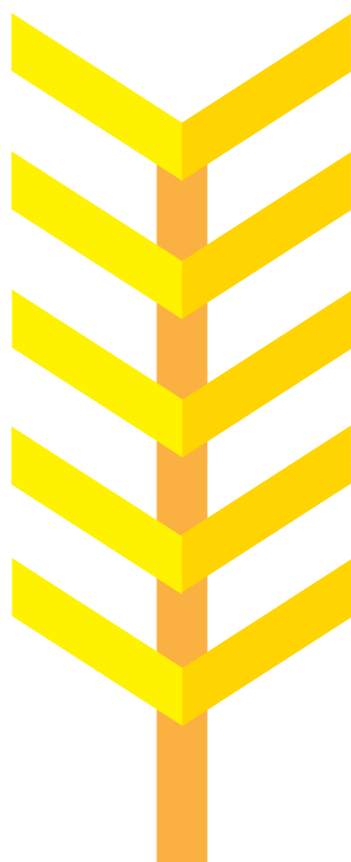
Together with all our partners, we have been able to address local financing gaps through dedicated programmes and new financial instruments, ensuring better access to finance for small business owners, upon whom the Greek economy depends for its innovation and job creation.

Helping Greek farmers access finance

Agricultural financing in Europe has been dominated by grants for years. However, loans can be an important complement to grants in this sector. By combining a multitude of resources, the EIF has been able to guarantee loan portfolios to farmers and agricultural SMEs across Europe, thus improving their access to finance.

Particularly in Greece, the EIF and the Hellenic Ministry of Agricultural Development and Food have been discussing the deployment of a guarantee financial instrument designed to tackle the financing gap faced by Greek farmers and agribusinesses.

Through a fund-of-funds funded by the European Agriculture Fund for Rural Development (EAFRD), a national contribution, and EFSI resources, this initiative aims to facilitate additional financing for rural business owners in order to strengthen their competitive positioning across the value chain.



Early to growth stage financing: the EquiFund

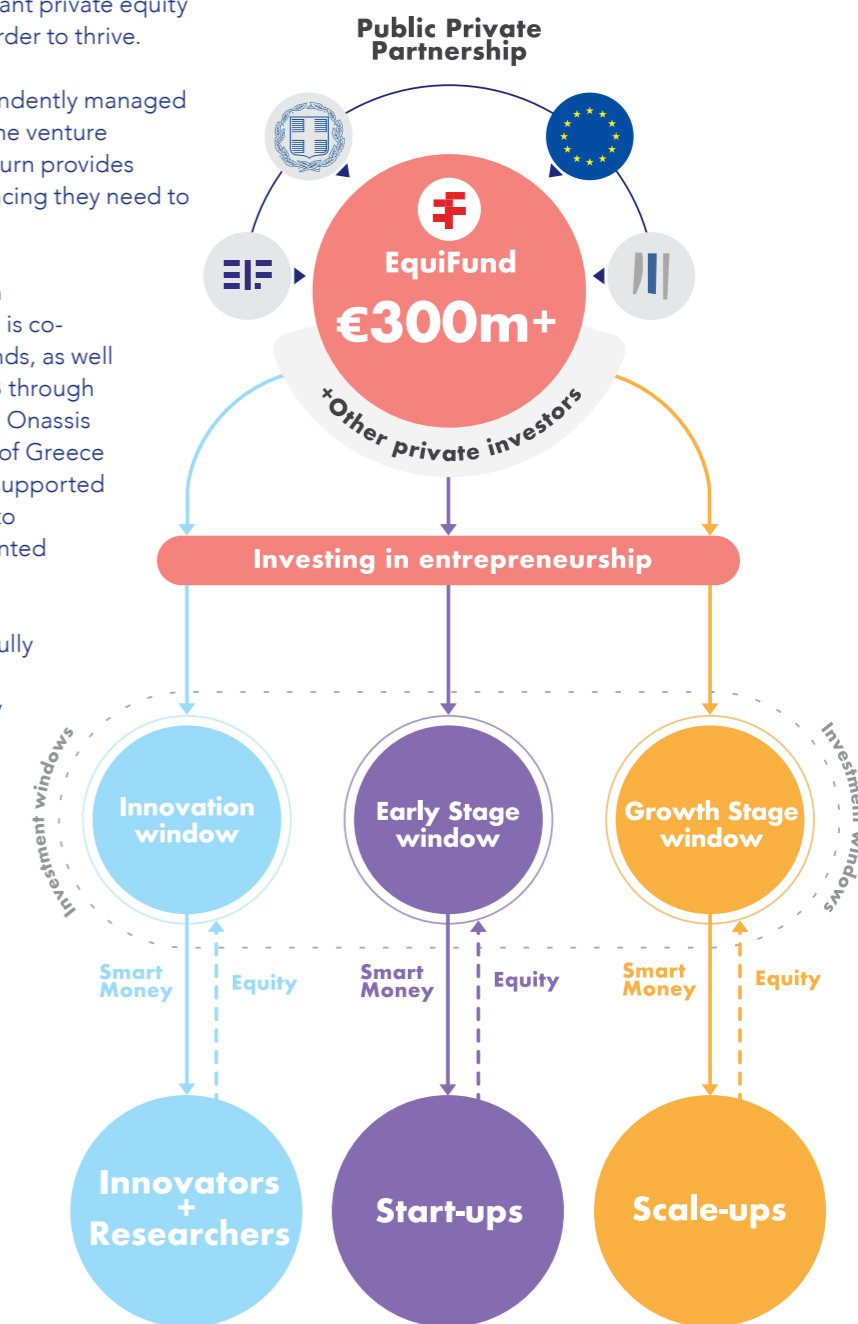
Greece has one of the lowest levels of venture capital and private equity activity of the whole EU, according to the association Invest Europe. But this situation is changing. Launched one year ago, the fund-of-funds programme in Greece, EquiFund, understands that SMEs need a vibrant private equity and venture capital ecosystem in order to thrive.

By making commitments in independently managed funds, EquiFund is strengthening the venture capital market in Greece, which in turn provides entrepreneurs with the crucial financing they need to grow their businesses.

Created by the Hellenic Republic in cooperation with the EIF, EquiFund is co-financed by the EU and national funds, as well as funding from the EIF and the EIB through EFSI. Strategic partners such as the Onassis Foundation and the National Bank of Greece have also committed to EquiFund supported funds. EquiFund is paving the way to unleash the potential of young talented human capital in Greece.

Nine fund managers were successfully selected during 2017 (four in the Innovation window, two in the Early Stage window and three in the Growth window). The aggregate size of all funds has now exceeded EUR 410m. Within one year from the signature of the funding agreement between the Greek Ministry of Economy and the EIF, investment activity had started in the first two windows.

www.equifund.gr



Financing Success Stories



Watch all our
case study videos

Belussis currants

Currants have been cultivated in Greece since Homeric times. The first written records of their trade date back to 12th century, while at the end of the 19th century their export made up a significant proportion of total Greek exports. "Currants are very rich in a variety of nutrients which are beneficial for human health. They're used mainly in the production of sweets by bakeries and patisseries" explains John Panagiotopoulos, President of Belussis Currants.

Belussis Currants operates exclusively in the production, packaging and export of naturally sun-dried Greek black currants - also known as Corinthian raisins. The company was founded in 1906 in Pyrgos, Iliia, and remains a family business to this day. Having recently moved to a new factory in Platani, in Achaia, the company exports more than 90% of its produce all over the world, from Europe to the USA, Canada and New Zealand.

But the field of agriculture has been changing in the last few decades and Belussis Currants are not unaffected. "The biggest problem right now is the reduction in the availability of raw materials –

the actual currants. 20 years ago, Greece used to produce and export 50,000 tonnes of currants. Now we barely hit twenty", says John, who goes on to add that this shortage has led to price fluctuations and a subsequent inability to meet demand.

In 2017, the price of the currants almost doubled compared to 2015, creating a significant cashflow problem for Belussis Currants. In order to secure enough raw materials to keep up with demand, John turned to Eurobank, who extended an EU-guaranteed loan backed by EIF under the Investment Plan for Europe. "With the loan, I was able to buy enough currants to keep the business running full-speed. We avoided a slow-down in business. It gave us breathing space and allowed us to increase our working days from around 15 per month to 25" John points out.

With the shortages persisting, John sees an opportunity for the next generations: "There are fewer actors in this field today. With the crisis and so much unemployment, this is an opportunity for our youth to embrace our natural resources again and return to agriculture..." he concludes.



“

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Sector

Food industry

Instrument

COSME LGF
EFSI

Purpose

Cashflow

Employees

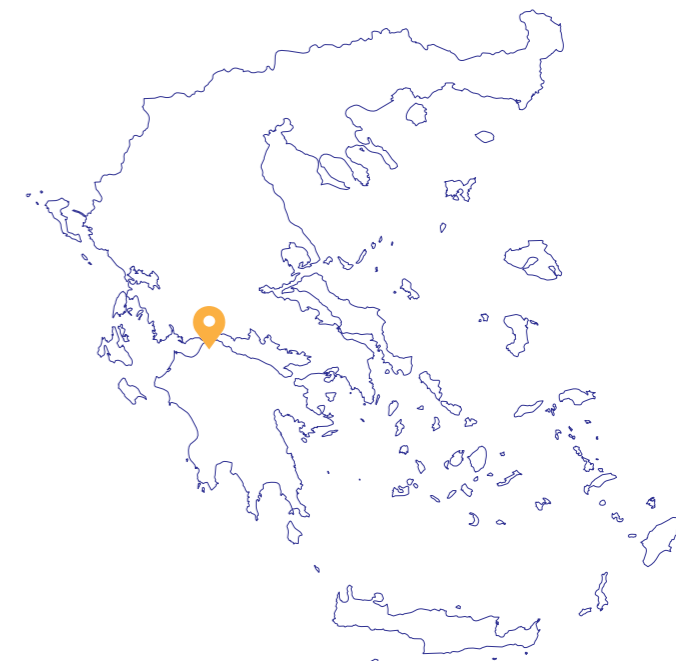
4

+

seasonal workers

Location

Platani



www.belussis.gr

Centaur Analytics

Centaur Analytics invites an ancient industry to meet the modern age. From the moment a harvest leaves the field until it reaches store shelves, Centaur tracks its journey monitoring for infestations and prescribing early interventions to prevent any crop spoilage. "Our sensors are the missing link in post-harvest safety. They are designed to withstand direct fumigant treatments and transmit in real-time from any storage container with no required infrastructure" explains Sotiris Bantas, co-founder and CEO.

With their R&D headquarters in Volos, Greece, but a clientele spanning five continents, Centaur proposes an end-to-end solution that can be used in places like warehouses, silos or trains. The sensors and the related software monitor crop data including climate and gases, using cloud-technology to instantly communicate information on potential and current spoilage resulting from things like mould or pests where, traditionally, there would be little or no visibility.

Furthermore, they offer treatment prescriptions and monitor their success in preventing or limiting crop loss. It was this huge potential in eliminating food waste that attracted PJ Tech Catalyst Fund, an EIF-backed venture capital fund in Greece, to invest in the company.

"The difference the investment made is like day and night," explains Sotiris, "It allowed us to scale up our business, accelerating the manufacturing of our products, hiring new talent and growing the team by ten employees, investing in hardware, software and analytics. We were also able to put some more effort in marketing and sales."

Optimized for a variety of crops including grains, rice and cereal, coffee and hemp products, fruits and nuts, Centaur can improve predictability and visibility in the supply chain. This reduces inefficiencies, the need for pesticides and consequently the negative impact on the environment. "This is an industry that has relied heavily on ozone-depleting chemicals in the past. New chemicals are not well-studied and need to be closely monitored to be efficient. Our job is to help the industry in this process" says Sotiris.



“

The investment allowed us to scale up our business, accelerating the manufacturing of our products, hiring new talent and growing the team.”

Sector

Agriculture

Instrument

JEREMIE

Purpose

Scaling-up the business

Employees

17

10
Job creation

Location
Volos



www.centaur.ag

Flex Health & Fitness

Flex Health & Fitness brings together the worlds of fitness and nutrition. Beyond being just a space for people to work out, Flex Health & Fitness also offers the services of a professional nutritionist. "Europeans, and Cretans for that matter, are much more concerned about their life and health today compared to the situation a few years ago. We have clients here from 16 to 85 years old. People work out and watch their nutrition preventively much more now" explains Maria Goufa, co-owner of Flex Health & Fitness.

Maria's background was in business administration. In 2014, she teamed up with two business associates – both fitness instructors - and together they bought an old gym in Heraklion, Crete. Bringing together her entrepreneurial expertise and their technical know-how, they took over the business armed with a plan to fix it up and make it a more attractive place for a workout.

"There were many things we had to change," Maria says. "The building was old and needed basic renovation ranging from the structure itself down to the electrical wiring." Maria and her partners relied on their own funds to make these first steps. To complete the face-lift, however, a lot of work needed to be done in the interior as well.

Maria explains that banks were reluctant to extend credit and they were running out of options. Eventually they were able to secure a microfinance loan from Pancretan Cooperative Bank, guaranteed by EIF, which allowed them to complete the transformation: "We were able to totally change our image," says Maria, "the reception area, the lighting, the colours, the changing rooms, the furniture... now it looks like it should look. Our next step is to upgrade some of the equipment and introduce the latest technology." With the new look giving the gym a boost, Maria was able to hire one more employee and increase shifts from 4 to 6 hours for some of her existing staff. "We're doing well, but we want to do even better," she adds.



“

We were able to totally change our image.”

Sector

Sport

Instrument

EaSI

Guarantee Financial Instrument

Purpose

Renovation of the building

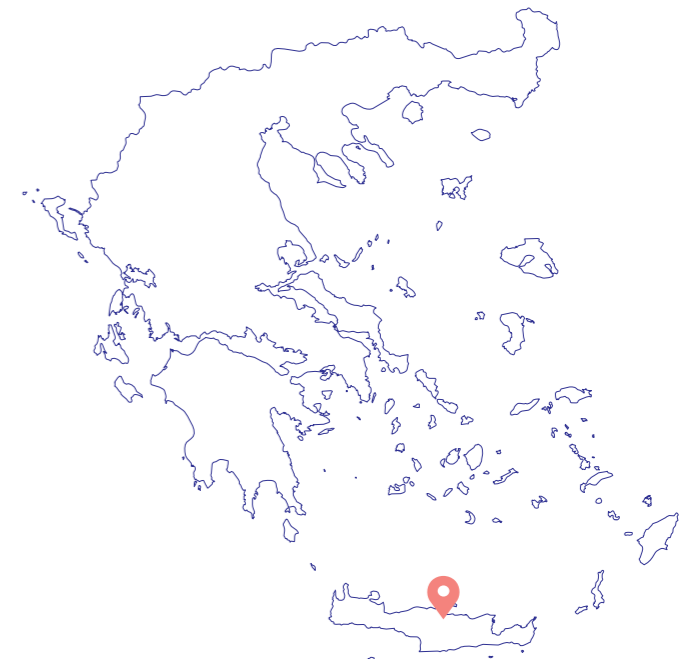
Employees

10

1 job creation

Location

Heraklion



www.flex-fitness.gr

“Our mission is to help make citizen voices heard, and government services more citizen-centric,” says Iraklis Bourantas, COO and co-founder of Novoville. Novoville was founded in 2016 in response to the growing need for more participatory, accountable, transparent, efficient and inclusive local governance. As Iraklis explains, it all started - like many companies - with a personal frustration: “Like so many people in Athens, we were frustrated by simple things like seeking information or reporting a broken bench... Initially we set up a problem reporting tool. We tried it, tested it, re-designed it, re-worked it...and within 3 years it grew, we added more functionalities and here we are today. The municipality of Athens is now one of our biggest clients...”

Novoville is a comprehensive citizen engagement platform for local governments that covers all sorts of services such as e-frontdesk services, consultation and communication, payments and smart parking. “You can request a birth certificate, pay a parking ticket or utility bills or report problems,” Iraklis says, “and the authorities can use the service to communicate with citizens. If the municipality has an important message to send to its residents for example, like a road closure, it can do so instantly using the app, or by sms or email – depending on how the citizen wants to be reached. Obviously GovTech is a difficult field, with complex procurement issues and political pressures. It’s not easy to disrupt it. But when we are able to show results, and the wow-factor comes into play, things change,” he adds. “People ask themselves ‘really? In

my municipality?’ and they feel a sense of local pride. This boosts engagement.” Where more traditional consultation exercises can only garner a few dozen responses, Novoville’s user-centric approach and effective outreach efforts can get several thousand replies – in a fraction of the time. “It brings the citizen and local authorities closer together. It saves paper, man-hours and frustration. Ultimately, it optimises workflows and increases engagement, which can only be a good thing, but it also gives citizens a feeling that they are able to participate and influence things around them.”

In November 2018, Novoville closed a second round of funding which included an important investment from Uni.Fund and Venture Friends, both venture capital firms backed by the EIF. This funding allowed Novoville to boost R&D, doubling its personnel, and focus on sales and market expansion – particularly in the UK – as the company now starts to scale up operations. “Most of our work right now is in the UK and Greece – with 45 municipalities already using our products. But we’re running pilot projects in Belgium and Switzerland, two countries with very different realities at the level of local government. We’re looking to expand, but at the same time, we’re also trying not to bite off more than we can chew,” he adds.

If things go to plan, you might find yourself receiving an sms from your municipality telling you to “please move your car”. Assuming, that is, that they opt for warning before the fine... And don’t say you never park badly.



“

Most of our work right now is in the UK and Greece and we’re looking to expand.”

Sector

ICT

Instrument

Equifund

Purpose

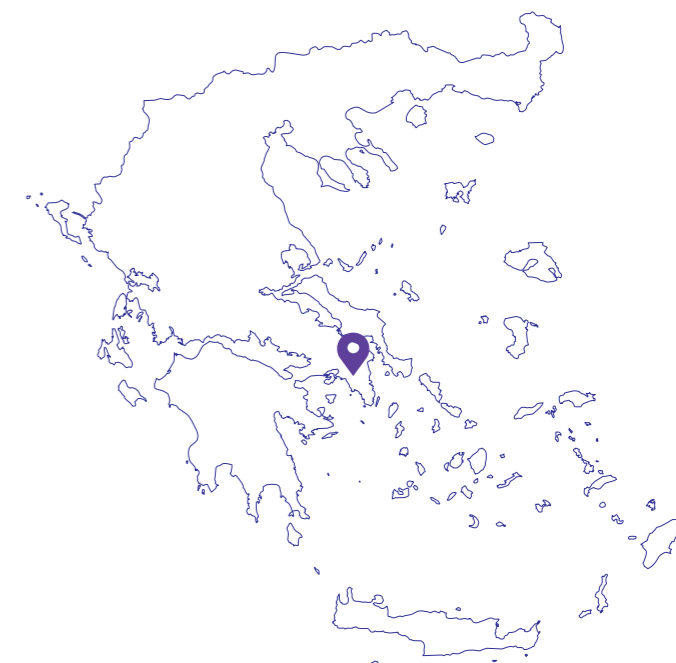
R&D, sales and market expansion

Employees

14

8
job creation

Location
Athens



PLIN Nanotechnology

“Back when we started, people didn’t really understand nanotechnology very well. That has since changed,” says Dr. Alexander Tsouknidas, co-founder of PLIN-nanotechnology. “Nanotechnology offers a simple and effective way of having an active product with a small amount of active ingredients. For example, silver, copper or gold nanoparticles can be used in things like industrial paint, to introduce anti-bacterial or anti-fungal properties. The same for textiles, agriculture (e.g. biocides) or even electronics, where we can use nano-inks to print invisible circuits on screens.”

PLIN offers practical nano-technological solutions for a wide range of applications, from concept to lab-work and product integration. But their current focus is pet products. The addition of silver or gold nanoparticles in pet shampoos and leave-on grooming products, can help with disease prevention or cure, wound-healing, flea and tick repulsion, or even regulating bacterial load in a pet’s skin/fur.

But how does it work? As Alexander explains, “Gold nanoparticles act as a great carrier for other active ingredients like silk proteins, that will have the properties we want to use. Silver on the other hand is an active ingredient in itself. What’s important is surface area. The difference between a nanometre and a metre is equivalent to the difference between a football and the earth. If you engineer silver down to the nanoscale, you can tune its effectiveness against specific pathogens and still maintain it skin-friendly. The impact can be huge while using only tiny amounts.”

A spin-off from the Aristotle University in Thessaloniki, building on more than a decade of research, PLIN thrives in its ability to produce nanotechnology solutions at low cost, thus making it attractive for use in consumer products. Alexander admits that, with time, there has been an important shift in mentality: “Initially we were mainly academics. Now we’re focussing more on one the applied perspective rather than the theoretical perspective. Bridging mind-sets between the academic and business worlds was, for me, the

most I got out of this effort. It helped me see things differently and that’s invaluable.”

A key part of this shift was Uni.Fund, a venture capital firm backed by the EIF, who invested in PLIN in late 2018. “They saw something in us that we couldn’t see ourselves. One of the first things they pointed out was that we needed to focus on one thing rather than many. With their support, we were able to boost our business development, testing our products in smaller markets before scaling, and invest in a marketing strategy.”

While sales are growing, the real break will come once the company manages to break into the US and Canadian markets. “Getting into North America, will make 2019 an amazing year,” Alexander concludes.



“

Uni.Fund saw something in us that we couldn’t see ourselves.”

Sector

Nanotechnology

Instrument

Equifund

Purpose

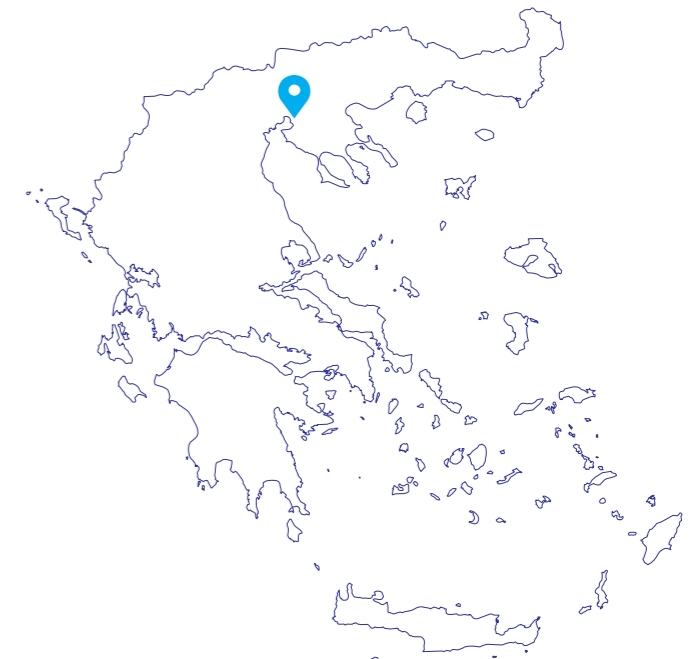
Business development

Employees

6

3
job creation

Location
Thessaloniki



www.plin-nanotechnology.com

Childhood friends Sofia and Christina are on a mission to provide travellers with their dream holidays at sea, free of complications and unnecessary difficulties. "We're both sailors at heart with a strong passion for the sea. But we know that finding the right boat for your vacation is always a hassle. There is very little information online, no way to check out the boat or see reviews" Sofia explains.

Sofia and Christina, both from Athens, had a background in finance and marketing respectively, and previous experience of running a company. "We realized there was a gap in the market, and we had both the entrepreneurial spirit and the love of the sea", Sofia says. Taking the leap into a new career, they were able to bring the two together.

Founded in 2015, Vyra is a user-friendly online boat rental platform that promises to do all the groundwork and connect all the dots, making hiring procedures easy, quick and affordable, with a focus on customer service. "We're the booking.com for sailing" she adds, "but we also offer concierge-level customer services. We will intervene to make sure

our clients get the unforgettable Mediterranean experience they are after. Our goal is to become a trusted personal holiday consultant, providing personalized recommendations that respond to the needs of each traveller."

In order to finance the business, in 2016 they turned to PJ Tech Catalyst, a fund backed by EIF. "PJ was the best match for us and we had excellent communication." Sofia says. The financing allowed Vyra to expand into new countries, and open up new services like daily cruises and fishing trips. It also gave Sofia and Christina the necessary resources to recruit four new employees, as well as fund their marketing campaign and website development. "It really allowed us to set sail."

Currently offering a fleet of 9,500 vessel options across six Mediterranean destinations, Vyra plans to launch a new round of expansion with the ambition of becoming the top brand for holiday-makers in Greece, the top sailing destination in the Mediterranean.



“

The investment really allowed us to set sail.”

Sector

Tourism

Instrument

JEREMIE

Equity

Purpose

Recruiting, business expansion, marketing and website development

Employees

6

4
job creation

Location

Thessaloniki



Programmes deployed by the EIF in Greece

The EIF has deployed capital in Greece under at least eight different EU programmes and mandates. A few of them are detailed here:

COSME

COSME is the EU programme for the Competitiveness of Enterprises and SMEs. It facilitates access to finance for SMEs, promotes competitiveness and encourages an environment favourable to entrepreneurs. Set up in 2014 by the European Commission with a budget of EUR 2.3bn, COSME is deployed at EIF via loan guarantee facilities (COSME LGF) and equity investments (COSME Equity Facility for Growth or EFG).

InnovFin

InnovFin aims to facilitate and accelerate access to finance for innovative businesses and other innovative entities in Europe. It covers both debt and equity financing. The InnovFin SME Guarantee (SMEG) offers a 50% uncapped guarantee or counter guarantee to financial intermediaries to allow them to provide debt financing on more favourable terms to innovative SMEs and small mid-caps.

Meanwhile, InnovFin Equity provides equity investments and co-investments to or alongside funds focusing on companies in their pre-seed, seed and start-up phases operating in innovative sectors.

JEREMIE

Under the 2007-2013 programming period, JEREMIE offered EU Member States the opportunity to use part of their EU Structural Funds to finance SMEs in a more efficient and sustainable way.

Set up in 2007 as a joint initiative of the European Commission, the EIB Group and other financial institutions to enhance cohesion across the EU, JEREMIE is a predecessor to the current ESIF-backed programmes managed by EIF under the new 2014-2020 programming period.

EaSI

The Employment and Social Innovation (EaSI) programme promotes quality and sustainable employment, improved working conditions and decent social protection, while combating social exclusion and poverty.

This EU-level instrument has been active since 2014 with a budget of EUR 919m in 2013 prices.

To find out more, please visit
www.eif.org



@eif4smes



European Investment Fund

