



InnovFin counter-guarantee scheme

Innovative Enterprise week – Bucharest, Romania

Karl ADAMS, Member of Executive Committee



CRÉATION



DÉVELOPPEMENT



INNOVATION



INTERNATIONALISATION



TRANSMISSION

SOWALFIN, who we are

SOWALFIN

Limited company

Created in 2002

K of EUR 1,23 billions

Main shareholder : the Walloon Region

Financing and non financing solutions and services to meet the needs of SME's by regularly adapting its offer

The Walloon Region

- 16800 km² and 3.610.000 inhabitants
- GDP of EUR 92,1 billions
- 66 SME/1000 inhabitants, approximately 240.000 SME's (97% with less than 10 persons)



CRÉATION



DÉVELOPPEMENT



INNOVATION



INTERNATIONALISATION



TRANSMISSION

Financing services

Focus on Financing solutions

Acting as a partner of the SME during all development phases of the company by providing specific financial products. Main products :

- Partial and additional guarantee on bank loans - *close cooperation with 12 commercial banks*
- Direct financing (capital → short term financing of working capital requirements)

Products tailored to SME's needs

- Self employed and very small companies
- Internationalization
- Innovation
- Energetic transition



CRÉATION



DÉVELOPPEMENT



INNOVATION



INTERNATIONALISATION



TRANSMISSION

Key numbers SOWALFIN Group

	2016	2017	2018	Increase 2016-2018
Issued guarantees SOWALFIN Group				
Number	1480	1808	1687	12,3%
Guarantees amounts	142.278.000	161.827.000	178.834.000	20,4%
Bank loans covered	345.702.000	372.103.000	397.651.000	15,0%
Direct financing SOWALFIN Groupe				
Number	1060	1090	1133	6,4%
Amount	196.832.000	201.522.000	233.789.000	15,8%
Total financing to companies	542.534.000	573.625.000	631.440.000	16,4%

Focus on direct financing in innovative companies (included in key numbers)

Direct financing innovative companies	2017	2018	Increase 2017-2018
Number	112	117	4,46%
Amount	58.597.000	66.281.000	13,11%

Direct financing to innovative companies represents 29% of the global direct financing activity of the Group.



CRÉATION



DÉVELOPPEMENT



INNOVATION



INTERNATIONALISATION



TRANSMISSION

Focus on the partial and additional guarantee on bank loans

Amount	Maximum 75% with a nominal amount of maximum EUR 1.500.000
Term	Maximum 10 years – no minimum
Upfront fee	1% of 1,1% on the yearly outstanding annual guaranteed amount
In case of default	Risk sharing principle– after realization of the collaterals dedicated to the bank loan



CRÉATION



DÉVELOPPEMENT



INNOVATION



INTERNATIONALISATION



TRANSMISSION



Partnership EIF/SOWALFIN : a significant leverage on our guarantee product

The InnovFin SME guarantee facility at SOWALFIN

Counter-guarantees facilitating access to debt financing for innovative small and medium-sized enterprises

Automatic counter-guarantee of the EIF at 50% of guarantees issued by SOWALFIN on bank loans

New bank loan for a term of minimum 12 months

Maximum secured credit amount of EUR 2.000.000

All types of financing in all development phases

The company must meet at least one of the eligible criteria selected as innovative by EIF

SOWALFIN operates in its usual way while maintaining total management autonomy

Commission to be paid to EIF by SOWALFIN

Quarterly reporting to the EIF by SOWALFIN



CRÉATION



DÉVELOPPEMENT



INNOVATION



INTERNATIONALISATION



TRANSMISSION



Results as of March 31, 2019

Issued guarantees by SOWALFIN under Innovfin program	EUR 24,6 millions
Counter-guarantee EIF	EUR 12,3 millions
Bank loans	EUR 49,1 millions
Leverage effect Bank/EIF	4
Number of SME's	87

SME's under Innovfin (some examples) :

Tailormade equipment for industry

Medical devices

ICT for energy sector

Pharma industry

Waste treatment



CRÉATION



DÉVELOPPEMENT



INNOVATION



INTERNATIONALISATION



TRANSMISSION



Results as of March 31, 2019

Some conclusions after 3,5 years

- *Banks are displaying a willingness to strengthen their collaboration with innovative start-ups*
- *Counter-guarantee under Innovfin allows us to be much more active in innovative companies than in the past*
- *Leverage effect in a counter-guarantee system greater than direct EIF guarantee on bank loans*
- *Effective collaboration with EIF and operational teams – excellent contacts – pragmatic people*



CRÉATION



DÉVELOPPEMENT



INNOVATION



INTERNATIONALISATION



TRANSMISSION



EUROPEAN
INVESTMENT
FUND

