

kredex.ee



KREDEX Financial Services

Area of Business
Credit Insurance
Field of Housing

KREDEX



KredEx is a financial institution that helps Estonian companies to develop faster and expand securely to foreign markets. To do so, KredEx offers loans, venture capital, credit insurance, and guarantees assured by the state.

We help residents of Estonia to improve their living conditions, offering loan guarantees secured with a state guarantee for purchasing homes, as well as guarantees and grants for increasing energy efficiency.

We value problem solving, top quality service and readiness to cooperate, which leads to the satisfaction of our customers and partners. We value accuracy, quick action, and objectivity when it comes to making decisions. We are open to new ideas and honest feedback. We wish to offer solutions to compensate for the shortcomings of the financial market, bringing together the best skills, experience, and resources of different countries.

Area of Business

Start-up loan

A KredEx security start-up loan is intended for financing investments and circulating capital in start-ups and companies that have been operating for up to three years.

The start-up loan will help if the starting up of the company is being prevented by a lack of capital and there are insufficient sureties or operating history for securing a bank loan.

The maximum amount of the start-up loan is EUR 100,000, up to EUR 50,000 of which may be used for the financing of circulating capital.

Unlike a standard bank loan, a company is required to have less collateral when applying for a start-up loan: generally, the personal surety of the sole proprietor of the loan recipient is sufficient. The owners of a company give the bank a personal surety to secure the obligations of the recipient of the loan. Their obligation of surety amount is 25% of the loan amount, on the condition that the company uses the start-up loan in accordance with its intended use.

In order to obtain a KredEx start-up loan, please visit your bank. If necessary, county development centres offer free advice on how to prepare a business plan. Additional information: www.kredex.ee

A smaller surety is required to obtain a start-up loan. The loan amount can be up to EUR 100,000.

Business loan guarantee

A business loan guarantee is intended for a company that requires financing or guarantees from a bank, as well as for a company that wishes to conclude a leasing contract with a leasing company.

A business loan guarantee is of help if the company wishes to take a bank loan, conclude a leasing agreement or ensure their obligation with a bank guarantee, but they lack sufficient sureties or a history of operation.

The amount of the KredEx business loan guarantee is up to 80% of the principal amount of the outstanding loan from the bank, the outstanding purchase price of leased assets or the amount of the bank guarantee. There are no limits on the loan, leasing or bank guarantee amount. The amount of the KredEx business loan guarantee is up to EUR 5 million. The annual fee for the provision of guarantee, depending on the company and the risk level for the project, starts at 0.8% of the loan and the leasing, and the bank guarantee starts from 0.5% of the guarantee balance. The contract fee is up to 1% of the guarantee amount.

KredEx fulfils the obligations arising from the guarantee agreement in the event that the bank or leasing company is unable to satisfy the claim against the recipient of the loan and the individuals securing his or her obligations. In order to obtain a loan with a KredEx guarantee, please visit your bank. Additional information: www.kredex.ee

KredEx guarantee is up to 80% of the loan amount.

Industry loan

An industry loan is intended for companies operating in processing industry, mining, electrical energy production, transfer and distribution or waste processing and disposal, who are focused on export and are investing in tangible and intangible assets.

An industry loan provides support if the company is using a bank loan or leasing for investment, but it lacks the required capital for self-financing. In the eyes of co-financing partners, an industry loan increases a company's self-financing in the form of a subordinated loan.

An industry loan can be applied for in the amount of up to EUR 2 million, but not more than 40% of the total cost of the project being financed. The company's equity capital and project self-financing together must comprise at least 50% of the KredEx loan. The interest rate is equivalent to that of a loan or leasing offered by a bank or is 1-2% higher, depending on KredEx's financing rate. There is no contract fee.

An industry loan is subordinated to the financing of the bank or the leasing company. This means that it is repaid after the end of the bank loan or leasing, with similar repayments made on the basis of a schedule. Apply for an industry loan from the bank along with the bank loan or a leasing company along with a lease. Additional information: www.kredex.ee

Industry loan can be used for self-financing. Loan of up to EUR 2 million.



Capital loan

A capital loan is aimed at companies that have proven the operability of their business model, who are planning to make investments in development and their volume of operations.

A capital loan is a subordinated loan. It is of assistance if the company wishes to finance its rapid growth with a loan, but its self-financing level is too low to receive a bank loan or it lacks sufficient sureties. As the owner does, KredEx places capital at the disposal of the company, which, thanks to subordination, raises the company's self-financing level in the eyes of the other financiers. This, in turn, allows for the inclusion of additional funds, for example, in the form of a bank loan.

The amount of a capital loan is from EUR 100,000 up to EUR 2 million, but not in excess of the company's equity at the moment of disbursement of the loan. The contract fee is up to 1% of the loan amount. The contract period is generally 3-5 years. The rate of interest on a capital loan is generally 8.5%-15%. Part of the interest can be capitalised or paid in the form of success based payments at the end of the loan period. Apply for a capital loan from KredEx. Additional information: www.kredex.ee



A capital loan is a subordinated loan in the amount of up to EUR 2 million.

Export loan

An export loan is meant for a company that is looking to finance a large-scale export transaction related to the provision of a service or the sale of capital goods to a foreign country.

An export loan is of assistance if a company wants to offer a payment term of at least two years to a foreign buyer or to finance the production of goods to be sold to them. The loan period is generally 2-5 years.

A prerequisite for issuing the loan is the insuring of the political risk and/or commercial risk related to the foreign buyer at AS KredEx Krediidikindlustus.

The amount of the export loan is generally up to EUR 3 million per foreign buyer. Interest is comprised of the cost of money and the risk margin, which is dependent upon the transaction. The contract fee is up to 1% of the loan amount. Apply for an export loan from KredEx. Additional information: www.kredex.ee



An export loan allows for a payment term of two years or longer for a foreign buyer.

Private and venture capital funds

KredEx invests in funds of funds, the goal of which is to offer additional financing opportunities to companies with great growth potential and to develop the local capital market. Thus far KredEx has invested in the Baltic Innovation Fund and EstFund.

Funds of funds with KredEx participation only place money in private and venture capital funds, which invest in companies. Funds of funds with direct KredEx participation do not invest in companies directly.

We ask that companies interested in the inclusion of capital, contact the fund manager.

KredEx's subsidiary, fund management company AS SmartCap, administers Estonia's state fund of funds invested in early phase risk capital funds. Additional information: www.kredex.ee/venturecapital



Venture capital is used to finance companies with great international potential.

Development of the ecosystem for Estonia's start-ups

KredEx implements the Startup Estonia programme, with the goal being to develop the ecosystem for Estonia's start-ups and to create a favourable breeding ground for the creation of the next series of success stories. Startup Estonia is associated with several development programmes. Via these programmes we are able to develop the knowledge and skills of start-up companies, improve the financing of start-up companies and remove any legal bottlenecks.

Startup Estonia's areas of activity

A strong ecosystem

We represent and help to develop the community of local start-ups. There are nearly 80 organisations in Estonia that offer products and services to start-ups, beginning with start-ups in the seed phase and ending with start-ups in the growth phase.

Talents

We make sure that start-ups have access to talent. In order to do so we offer development programmes for skills and knowledge, as well as a start-up visa programme, which helps bring international talent to Estonia. Read more: www.startupestonia.ee/visa

Smart money

We are of assistance in increasing the knowledge of local investors and attracting foreign investors. We initiate new accelerator funds for start-ups that are still in the early phase.

Friendly legislation

We represent the interests of the start-up community and deal with removing legal bottlenecks. We promote cooperation between start-ups and the public sector.

We also work together with the developers of several focus fields and test projects.

- Focus on cyber security
Since 2017, we have been promoting the growth of the Estonian cyber security start-ups sector. To do so, we are developing the community, supporting the growth of start-ups involved in cyber security and helping them to expand onto foreign markets.
- Focus on the field of education
At the end of 2018 we began working together with the Ministry of Education and Science, in order to create a favourable medium for the development of success stories and growth of start-up companies with international ambitions in the field of education (EdTech).
- Support for Ida-Viru County's business and start-up incubator activity via the development of the ecosystem for start-ups
At the end of 2018 we began working with the Ministry of Finance, in order to create a functioning ecosystem for the development of start-ups in Ida-Viru County, and to support the already present entrepreneurship support structures with the goal of creating a good growth environment for start-ups.

Read more: www.startupestonia.ee

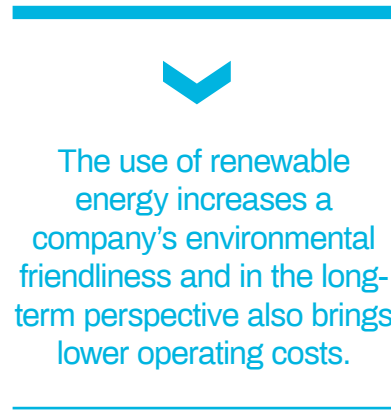


Investment support for solar panels

KredEx supports investments in renewable energy by companies, compensating the cost of investment. The goal of investment support for solar panels is to promote the use of solar power and by doing so reduce waste emissions associated with the production of power.

Companies operating in certain areas, apartment associations and other non-profit associations, as well as other organisations, are eligible for support. We support the designing, acquisition and installation of renewable energy production equipment.

Support can be applied for up to 30% of the total cost of the investment and up to EUR 30,000 per applicant. Additional information: www.kredex.ee



Credit Insurance

Each sales transaction where the seller provides the buyer with the option to pay later, involves the risk that the buyer will not be able to pay. The realisation of such risks leads to unpleasantness and financial losses for the company.

If a company that is exporting or operating on the domestic market wishes to insure itself against the potential payment difficulties of its buyers, credit insurance is of assistance. If you have insured the company's payment risk, you will be able to operate on new markets more confidently and to expand your sales opportunities. It is possible to insure payment terms from a few days up to several years. The insuring of risks associated with long-term payment deadlines for large volume transactions may be a prerequisite for receiving financing from banks.

The event constituting a cause of loss that is covered by the insurance contract may be a commercial or political risk. A commercial risk involves the possible bankruptcy of the buyer or they are unable to fulfil the agreed upon payment obligations. In the case of political risk, the insured event is the result of activity within a foreign country, which hinders the buyer's ability to fulfil their payment obligations. Depending on the type of credit insurance, insurance cover is available for up to 95% of the amount.

Costs are divided into two types in the case of insurance cover: the insurance premium, which is calculated based on the insured transaction or the insured turnover, and the costs associated with assessing the buyers. Credit insurance services are offered by AS KredEx Krediidikindlustus. Additional information: www.kredex.ee

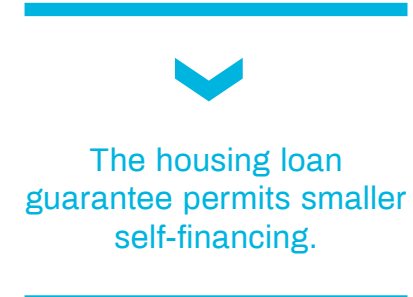


Field of Housing

Housing loan guarantee

KredEx offers a housing loan guarantee to help private persons who are acquiring their own home or performing renovations acquire the loan they need. Young families and specialists, lessees living in returned buildings, veterans of the Defence Forces and Defence League, and anyone who is looking for energy efficient housing are eligible to apply for the loan. With the housing loan guarantee the amount of your initial loan contribution is smaller. This will give you a better chance to purchase your own home or renovate it. The self-financing requirement is 10% of the value of the apartment or house. The loan guarantee amount is up to 24% of the value of the loan guarantee property, and not more than EUR 50,000 in the case of a housing loan guarantee for energy-efficient housing, and not more than EUR 20,000 in other cases.

Apply for a housing loan guarantee from the bank. Additional information: www.kredex.ee



Apartment loan guarantee

KredEx offers apartment residents an apartment loan guarantee for renovating their home. The amount is up to 75% of the loan amount.

This is helpful in the case of apartment ownerships that wish to take a bank loan to renovate their apartment building and improve the quality of life of their residents, but whose risks are assessed as being above average by the bank.

The apartment association applies for the guarantee. Additional information: www.kredex.ee



Grants

KredEx offers apartment associations, private persons, companies and local governments several types of grants. The purpose is to improve the quality of buildings and the appearance, functionality and safety of residential areas, while also extending the useful life of the buildings and increasing their energy efficiency. All information on these grants is available on the KredEx homepage www.kredex.ee

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Contact us!

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