



PRESS RELEASE

Luxembourg/Brussels/Amsterdam, 19 January 2023

InvestEU: October SME V fund secures €35 million backing from EIF and Invest-NL

- European SME lending platform October secures €35 million commitment from the European Investment Fund (EIF) and Dutch impact investor Invest-NL.
- The EIF's commitment is backed by the InvestEU programme. Invest-NL supports October SME V through the Dutch Alternative Credit Instrument.
- This is the fourth commitment by the EIF in an SME fund managed by October, after supporting the SME II, III and IV funds.

European SME lending platform October has secured a €35 million commitment from the European Investment Fund (EIF) and Dutch impact investor Invest-NL for its most recent debt fund for small businesses, October SME V. Invest-NL is investing €15 million in the October SME V fund under the Dutch Alternative Credit Instrument (DACI) mandate, and the EIF is committing another €20 million backed by an EU budget guarantee via the InvestEU programme.

The EIF's commitment enabled the October SME V fund to reach €100 million in total commitments following its launch in September 2022. This marks a successful closing for the fund, October's first vehicle to be labelled Article 8 SFDR – Sustainable Finance Disclosure Regulation (fund promoting Environmental, Social, and Governance, ESG, characteristics). The EIF's commitment will be key in supporting October in attracting additional public and private investors into the fund. The fund will target small businesses in France, the Netherlands, Italy, Germany and Spain.

This successful closing follows on from the EIF's investments in predecessor funds October SME II, III and IV. In this, October had also benefitted from a previous EIF commitment backed by InvestEU's predecessor programme, the Investment Plan for Europe and its 'Private Credit Tailored for SMEs' initiative. Consistently securing EIF commitments under different mandates constitutes a renewed sign of trust in October's capacity to efficiently deliver on the mission it shares with the EIF: providing essential, simple and accessible financing



october

to support the growth of European small businesses by providing an alternative source of financing.

“This renewed commitment for October testifies not only to the track record of this fund manager, but also to the goals that the EIF shares with its clients.” says **Marjut Falkstedt**, Chief Executive of the European Investment Fund. *“On the whole, the money we make available for SMEs safeguards and creates many jobs, making the EIF’s role in the European economy an important one. I’m glad that the EIF can again partner with October to support small and medium-sized companies with alternative financing.”*

Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People, said: *“InvestEU is playing an important role across Europe in helping small and medium-sized businesses gain access to the finance they need to innovate, expand and create jobs. I am delighted that, thanks to this agreement, many more businesses will receive the support they need to take their next steps and fulfil their full potential.”*

October CEO **Patrick de Nonneville** said: *“With this investment, the EIF continues to support European SMEs via the October platform. Key to this new fund is our data-driven ESG X-Ray module, to integrate ESG criteria in our investment process without burdening SMEs with additional paperwork.”*

The October SME V fund is expected to grant over 3 000 loans to European small businesses, targeting a total of €400 million in lending over the next two years. It will offer investors a highly granular and diversified portfolio deployed across multiple locations in the European Union (France, Spain, Italy, the Netherlands and Germany) in more than 15 different sectors. Loan amounts will range from €10 000 to €2 million, with an expected average size of €130 000.

The fund has a unique risk/return profile, addressing borrowers in the lower end of the market, while offering attractive returns to investors. With a short duration, monthly distributions and pricing reviewed on a monthly basis, all measures are taken to best protect investors and their returns against inflation.

Background information

The **European Investment Fund** (EIF) is part of the European Investment Bank Group. Its central mission is to support Europe's micro, small and medium-sized enterprises (SMEs) by helping them to access finance. The EIF designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this



market segment. In this role, the EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth and employment.

The **InvestEU** programme provides the European Union with long-term funding by leveraging substantial private and public funds in support of a sustainable economy. It helps generate additional investments in line with EU policy priorities, such as the European Green Deal, the digital transition and support for small businesses. InvestEU brings all EU financial instruments together under one roof, making funding for investment projects in Europe simpler, more efficient and more flexible. The programme consists of three components: the InvestEU Fund, the InvestEU Advisory Hub, and the InvestEU Portal. The InvestEU Fund is implemented through financial partners that invest in projects using the EU budget guarantee of €26.2 billion. This guarantee increases their risk-bearing capacity, thus mobilising at least €372 billion in additional investment.

The **Dutch Alternative Credit Instrument (DACI)** is a fund of funds jointly launched by the Dutch government, Invest-NL and the EIF in July 2021. It invests in both selective and diversified debt funds aiming to provide access to alternative sources of financing for Dutch small businesses, mainly via non-bank alternative financiers.

Invest-NL Capital N.V. is the Netherlands' main national promotional institution (NPI), held by the Dutch Ministry of Finance. In December 2021, October was the beneficiary of Invest-NL's very first investment under the DACI mandate, amounting to a ticket of €10 million in the October SME IV fund.

October is a pan-European FinTech with a mission to finance businesses better. As the #1 SME lending platform in continental Europe, it allows private lenders and institutional investors to directly finance SMEs across the continent. With an 8-year track record, October has lent more than EUR 965m to 3,800 European SMEs to date. October SME V represents the 5th generation of October's diversified SME debt funds, supported by a community of established European institutional investors including the European Investment Fund, the French investment bank Bpifrance, CNP Assurances, the Italian Cassa Depositi e Prestiti (CDP), the Spanish Instituto de Credito Oficial (ICO), the Dutch Invest-NL, as well as Generali, Zencap, Banca Patrimoni, Banque Wormser Frères. With its technological platform October Connect, October is now bringing its digital lending expertise to financial institutions to better monitor their portfolio performance and enrich their risk analysis.

Press contact

October: Tina Radao, tel.: +33 (0)6 34 10 36 90, radao@october.eu, Website: october.eu

EIB Group: Tim Smit, t.smit@eib.org, tel.: +352 43 79 89076; mob.: +352 691 28 64 23

Website: www.eib.org/press — Press Office: +352 4379 21000 — press@eib.org

European Commission: Flora Matthaes, tel.: +32 229 83951, flora.matthaes@ec.europa.eu, <https://investeu.europa.eu>, #InvestEU

Invest-NL: Chris Roelen, tel.: +31 (0)6 26 37 80 95, chris.roelen@invest-nl.nl