

# Froda expands partnership with EIF – unlocking €150 million in first EU-wide microfinancing guarantee

STOCKHOLM, SWEDEN, February 5, 2025 /EINPresswire.com/ -- [Froda](#), a leading provider in SME financing, has strengthened its collaboration with the European Investment Fund (EIF), by securing an additional lending capacity of €100 million. This builds on an existing €50 million guarantee, bringing the total to €150 million and extending Froda's financing reach across all 27 EU member states. The agreement marks Froda as the first company to establish an EU-wide microfinance partnership with the EIF, providing critical financing support to SMEs across Europe.



The SME financing gap in Europe is estimated at €400 billion, with many small businesses struggling to access the financing needed to grow and compete. To address this, EIF leverages various guarantee programs to expand financing options for SMEs. Since 2022, Froda has partnered with the EIF to improve access to financing for micro-enterprises, businesses with fewer than nine employees, in Sweden. Froda has already demonstrated the effectiveness of its financing model, where SMEs financed through Froda experienced an average growth of 131% within their first year after receiving financing.

With €150 million in lending guarantees, Froda aims to replicate the efforts in Sweden on a wider scale to 10,000 SMEs across Europe, driving economic growth and innovation, while addressing the financing gap for microenterprises with limited access to fair financing. This agreement positions Froda to extend its reach across Europe, empowering SMEs to thrive in a more interconnected and supportive financial ecosystem.

"The extended support from EIF represents a pivotal step in our mission to unlock growth opportunities for SMEs throughout Europe. By enabling our Embedded partners to expand into new markets, this partnership is set to transform the landscape of SME financing. Our vision is to

create a financing ecosystem that fosters cross-border expansion for both Froda and our partners," says Olle Lundin, CEO and co-founder of Froda.

Froda and EIF share a vision of building a robust financing ecosystem for small businesses across Europe. The new agreement expands opportunities for Froda Embedded partners, enabling them to provide EIF-backed loans across the EU. By scaling innovative financial solutions, the partnership supports EIF's mission to promote microfinance, entrepreneurship, and inclusive growth, while advancing the EU's goals of digitalization and equitable access to financing. As the first company to secure a microfinance guarantee covering all member states, Froda is addressing the SME financing gap, empowering underserved microbusinesses and strengthening Europe's financial ecosystem.

"The InvestEU program is built to provide scalable, impactful solutions for microfinancing. We've witnessed how EIF's targeted guarantees in Sweden have enabled Froda to unlock growth for micro-enterprises. Expanding this model across the EU, I am confident that our strengthened partnership will build a robust, sustainable financing infrastructure that supports Europe's entrepreneurial backbone," says Marjut Falkstedt, CEO of EIF.

Since 2021, Froda has focused on developing embedded finance solutions as the cornerstone of its international expansion. By partnering with banks, payment providers and fintechs, Froda offers white-label SME lending services that integrate seamlessly into partners' platforms, enabling them to offer business loans directly to their clients. The extended support from the EIF not only amplifies Froda's capacity to scale its lending capabilities, but also solidifies its role as a leading European player in microfinancing.

Press

Froda

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