

# Finland - Sustainability and Innovation

Finland's unique growth story stands out in Europe. The country is powering through a pandemic that brought global growth to a standstill, supported by its world-leading tech sector and innovative industries. The Finnish economy will have one of the mildest recessions in the eurozone this year, while millions of government investment has been earmarked for recovery spending.

Finnish Prime Minister Sanna Marin, the youngest premier in the world, explained that innovative thinking has been the cornerstone of Finland's economic success. Finland's goal is to become a socially, economically, and environmentally sustainable society by 2030. The country aims to be climate neutral by 2035, and to support development of a circular economy. Its pandemic economic recovery plans will hinge on innovation and sustainability, according to Prime Minister Marin, creating new opportunities for foreign investment.

"Work on our national recovery plan has already begun, and it is important that we find genuinely effective measures to strengthen Finland's economy, competitiveness and resilience in the midst of this crisis," she told Parliament in September. As the country moves to support new industries and further improve its



Sanna Marin  
Prime Minister of Finland

economic competitiveness, Finland is fast becoming the best place in Europe to do business - particularly for high-tech companies like 3stepIT, a computer leasing and lifecycle services company that embodies the circular economic model.

"We should all be ambassadors of Finland. It's a beautiful country with educated people. They are loyal, there is no corruption, and it is safe here. Everyone has an equal opportunity to succeed in Finland. I don't know what more you can ask. It's a country where you can trust that everything is in order," explained CEO Jarkko Veijalainen.

For Kristoffer Ekman, CEO of Nordic BioTech Group, the inventor and manufacturer of a natural antimicrobial solution that kills viruses and prevents the spread of infection, uncertainty surrounding the pandemic offers a challenge Finland is ready to take on - especially since the government is approachable, accessible, and quick to offer feedback and advice.

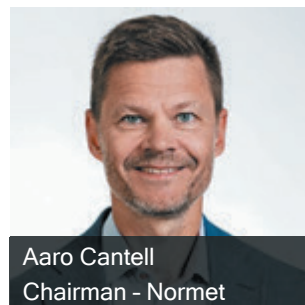
"From a corporate point of view, Finland is a safe environment for an organization to grow. We have a solid judicial system. The government offers a supportive foundation, and there is a low barrier for interaction between, for example, Nordic BioTech Group and Business Finland. The distance between government and corporations is very short."

# Normet - Leading the Transformation to Sustainable Underground Mining and Tunnel Design & Construction

In operation for nearly 60 years, Normet provides advanced solutions and innovative technology for underground mining and tunnel construction processes, helping its customers increase safety, productivity and profitability.

The processes include sprayed concrete, explosives charging, underground logistics, scaling and ground support. Focusing on three core principles - developing safe & sustainable methods, innovating for maximum performance and partnering in lifetime support, the company aims to deliver the highest value possible to each customer. Normet's extensive portfolio of products covers equipment, services, rock reinforcement and construction chemicals. Normet operates globally with over 50 sites in 28 countries. This breadth allows for a rapid response and local commitment to all customers whenever and wherever in the world they may be.

Normet Chairman Aaro Cantell acquired the company in 2005. Cantell's company has witnessed exponential growth since he took over, with Normet business rising from €25 million in 2004, to €340 million last year. "My ambition is to grow by continuous renewal. If you actively look for new expansion opportunities, a pipeline of possible growth projects will begin to



Aaro Cantell  
Chairman - Normet

develop. After that you also need to have the courage to launch some of the projects and then learn from them. I believe this also makes the work much more motivating for our people" he said.

New innovations, such as Smart-Scan® for scanning concrete lining thickness, Smart-Spray® that automatically sprays a designated section of the tunnel, Smart-Drive® platforms that enable battery electric drives, automation and digital connectivity solutions are some examples of Normet's innovation. Virtual Reality based simulator tools based on these new technologies are designed to help improve operator technique and skills.

Combining new innovative technologies with process knowledge of Normet's application experts can reduce between 30% - 70% of waste across the sprayed concrete process. Considering

one tonne of concrete creates one tonne of CO2 emissions, reducing waste is not only improving productivity and reducing cost, it has also a significant positive impact on the environment. Similar benefits can be achieved with process improvements across explosives charging, scaling, rock reinforcement or underground logistics.

Cantell has targeted reaching €500 million in turnover in the next few years, and in the longer term at least doubling the size. This means that the CEO Ed Santamaria and his team are actively looking into new ways of expanding the business.

"Our company has a very proud history and legacy, and a very strong reputation in the industry. Investing in a business model directly connected to our end customers was a major turning point for Normet. Our close relationship with customers and a deep understanding of their processes is a unique advantage we have, and our geographic reach is unparalleled; we will continue to invest in our global presence, in our expertise and in bringing exciting innovations to the Industry", said Santamaria.



# 3stepIT - Leading the Way in Sustainable IT

Finland's economy is beginning to stabilize following the first wave of the coronavirus pandemic, and the country's vibrant tech sector is set to play a leading role in supporting growth. Within a thriving ecosystem of disruptive start-ups, technology accounts for more than 50% of the Finnish exports, and more than 700,000 people, or nearly 30% of the workforce are directly or indirectly employed by the tech sector.

This means the country's future rests on the shoulders of private sector innovators like 3stepIT, a fast-growing company offering computer leasing and technology lifecycle management services that have already made a profound impact on client operations across Europe.

3stepIT was founded in 1997 on what was then a completely unknown concept: the circular economy. Its business model was premised on the notion that instead of investing hundreds of thousands on desktops, laptops and smartphones, which would eventually become outdated and be thrown away, companies could lease their devices. This would support a timely refresh strategy enabling businesses to remain at the forefront of innovation. 3stepIT founders also saw demand for businesses looking to dispose of obsolete IT equipment, so it made a unique offer: it would buy old equipment at fair market value to be refurbished and resold. In doing so, it helped businesses to transition to a circular economy model, reducing their carbon footprint and electronic waste in the process. This is the circular economy model in action.

Chairman Jarkko Veijalainen said launching the business took guts. "We asked ourselves what people did with redundant IT equipment. We found that devices were typically given to employees, stored somewhere or thrown away. Each of these choices presented significant data security risks which was a growing customer concern. This was a starting point. But in practice we were just two guys with a bicycle, and the players in the market were huge. We started from scratch and we had to believe we had something more than they did. We decided to give it a go for

12 months, we persevered, and it did work," he said.

3stepIT combines a team of experienced IT professionals, a well-developed and sustainable supply chain, and an asset management platform that allows customers to manage and renew their IT devices. That's where its name comes from: Step one is acquire, step two is manage, and step three is refresh.

Although it was a risk in the late 1990s when the internet barely existed, 3stepIT's business model worked so well that the company soon expanded to Sweden with venture capital support. Though Veijalainen and his co-founder sold 42% of the company in the early 2000s, they re-acquired this share back in 2007. This was driven by a firm conviction that the business model had a newfound global appeal given the popular shift towards new acquisition models such as the subscription economy, as well as an increasing focus on sustainability.

Many milestones followed. By 2010, 32% of the company was acquired by institutional investors, giving it access to resources to fuel expansion and development of next generation services to meet the demands of an international client base. It continued to grow across Scandinavia, strengthening operations in Norway and Denmark, as more and more businesses began to realize the appeal of sustainable IT. "The biggest difference between us and a typical leasing company is that we are very keen to get old IT devices back. Last year more than 500,000 devices were refurbished securely, using best-in-class data sanitization techniques. We then found a new home for 98% of these devices which is a big thing



JARKKO VEIJALAINEN  
Chairman of the board - 3stepIT

environmentally. Our customers can trust that they will have the best technology in the beginning, and that there will be someone to help them at the end of the cycle," said Veijalainen.

The company's latest, and arguably biggest milestone came in February 2019, when it joined forces with French bank BNP Paribas to create a European strategic alliance, which included a joint venture company and a partnership to serve international customers. The deal was finalized in October 2019. This alliance marked 3stepIT's entrance into Western Europe, with 18 countries including France, Italy, Germany, Belgium, the Netherlands, and the UK now set to benefit from its unique approach to IT lifecycle management and sustainable tech practices. The deal also demonstrated that major multinationals are recognizing the benefits of incorporating sustainability into their business models.

The company now has 2.2 million assets under management, and business has been booming - in 2019, revenues hit almost €700 million and the outlook for 2020 looks equally promising, forecast to top €1 billion consolidated revenue.

The ambition now is to become a €2 billion business over the next five years and expansion across the Atlantic beckons. "Our next goal is to widen our global footprint by expanding into America; our sustainable IT consumption model is wholly scalable and appeals to public, mid-market and enterprise clients who need to manage their IT efficiently, securely and sustainably," said Veijalainen.





# Elisa - Transforming Factories

The world's transition to a digital economy is accelerating in the wake of the Covid-19 pandemic, leaving Finland well-positioned to steer the course of future global development. Finland's economy is one of the most digitized on earth, and the country took top spot on the European Union's 2019 Digital Economy and Society Index, with 76% of the population having at least basic digital skills - well above the EU average of 57%. Companies like Elisa Corporation, a leading digital services provider, will keep the country in first place.

As an important pillar of the Finnish economy, and an increasingly prominent international player, Elisa has been quick to embrace new technologies.

CEO Veli-Matti Mattila said his company has remained at the forefront of new technology because its long-term strategy and a strong focus on its core mission; a sustainable future through digitalisation. One area where Elisa has made an international breakthrough is Industrial Software Business that the company developed itself, and that now serves major multinational clients.

"Many ask us why a telco is doing this and the answer is simple: we have over 10 years of proven track record in automating our own network management, processing data and utilizing machine learning. Other industries asked us how the trick is to be done and we accepted the challenge, creating a technology known as ElisaSmartFactory, and making intelligent manufacturing happen in practice. We have already gone global with customers like Procter & Gamble and major pharmaceutical corporations. Our way is to make something meaningful from the gigantic amounts of data, improve quality, increase efficiency and reduce waste," said Mattila.

Elisa's concept of Intelligent Manufacturing Anywhere is premised on the idea that all areas of a business's operations can benefit from AI and smart manufacturing processes, from enterprise to the factory floor and back. It has

developed solutions covering processes including intelligent procurement, production planning and optimization, and demand sensing. These include data source catalogues, internet-based use cases, data insights and informed and automated decision making, that put insights and recommendations into action. The company is focused on making sure all data processes work in tandem with one another, avoiding over- or underinvestment in any one area, with the goal of offering instant value through proven and pragmatic AI models.

Visual information plays a key role in Elisa's AI processes, and its data computation capabilities are designed to illuminate anomalies, weak points, inefficiencies, and areas for improvement, including through its flagship product, 3D digital factory. As a result, Elisa's agile, speedy, and high-quality solutions offer three major impacts: outperforming competitiveness, undiscovered profits, and limitless productivity.

While it's made its name as an innovator, Elisa's history dates back 140 years. A telecoms operator that has expanded its portfolio to include up-and-coming sectors in the digital economy, Elisa serves more than 2.8 million consumer and corporate customers representing 6.3 million subscriptions. Operating in Finland, Estonia, and internationally it employs over 5000 people in over 20 countries. Elisa is listed on the Nasdaq Helsinki, and international investors hold a 48% stake in the company. Its emphasis on future technologies and unique revenue



Veli-Matti Mattila  
CEO - Elisa

models in the telecoms segment have been a huge success: Elisa reported €1.84 billion of revenues in 2019, its fifth consecutive year of growth, while EBITDA reached €661 million, a 3.4% increase over 2018. Elisa's Total Shareholder Return since 2003 is 2387% and since 2017 95% respectively.

Elisa's growth strategy will remain forward-looking: it is a world leader in 5G development, and plans to further improve efficiency and productivity through automation, software robots, machine learning, and other technological innovations that have already enabled it to predict 90% of network outages in its telecoms arm. Elisa is likely to remain a customer and investor favourite in the years to come.

"We understand broadly the opportunities in digitalization and best practices in the consumer market, as well as in the business-to-business market. We are not a Silicon Valley online giant, but we have capabilities needed, and we've outdone ourselves over the previous decade. We benefit from talented people and we have interesting businesses that could offer attractive opportunities for new partners and investors. Most importantly, we are continuously learning and developing the capability to leapfrog with new technologies," said Mattila.



# Aktia Bank - The best of old and new

Finland's economy is one of the most modern and stable in Europe, supported by a strong institutional framework and a long track record of effective policymaking. This is especially evident in the banking sector, which has remained resilient throughout multiple crises. According to the European Central Bank, the Finnish banking sector's total consolidated assets surged to hit 322.2% of GDP in Q1 2020, up from 298.8% the previous quarter, and in June this year, Fitch reported Finnish banks remain healthy and well-capitalised, with ample liquidity in the sector despite the Covid-19 pandemic.

This means banks like Aktia will continue playing an important role in driving the Finnish economy.

Aktia's storied history stretches back nearly 200 years. It got its start as a small savings bank, but took its modern form following a financial crisis in the 1990s, when eight Finnish banks merged to become the present-day entity.

Today Aktia operates as an asset manager, bank, and life insurer, boasting a long track record of creating wealth and well-being over generations. CEO Mikko Ayub said the bank's focus on responsible wealth creation, as well strong client partnerships at the individual and corporate level, have kept customers satisfied for centuries.

"We're a medium-sized bank, which means that a customer at Aktia is not just one of tens of millions of customers; they will be treated in a more special and caring manner, instead of a part in a big machine. That is our sweet spot, in the sense that we are able to create customer service models and customer handling models where the customer really feels that they are important to the bank," he said.

Aktia offers asset management, banking and insurance services across digital channels and flagship offices in Helsinki, Turku, Tampere, Vaasa, and Oulu. It employs 750 people in Finland, and serves approximately 300,000

customers.

Although it is best-known as a traditional bank, Aktia's long history has not prevented it from changing with the times. Its asset management services are soaring - the value of assets under management in fixed-income funds offered to international customers rose by 68% y-o-y in 2019 alone to reach €1.9 billion, while total assets under management stood at €9.9bn - and a shift towards these services will be one of the most important focal points for the bank's ongoing mid-term transformation.

Digitization and sustainability are the other key pillars, and in 2019 the bank updated its corporate responsibility indicators, prepared a five-year action plan, selected UN sustainable development themes and goals, and updated its climate principles to guide its operations.

"Asset management has a lot of room to grow still from where we are today; we haven't reached the full potential of this business on both the institutional and retail sides. I also see us growing in cities because of trends in urbanization, and because we have traditionally been concentrated along coastal areas in Finland," said Ayub.

Emerging market debt products in particular have been identified as a high-potential area for future international growth. Aktia is a world leader in this area, and its successes have allowed it to



Mikko Ayub  
CEO - Aktia Bank

expand well beyond Finnish borders, notably in German-speaking Europe and Sweden. In recent months, distribution agreements have been signed to sell emerging market products in South America, and it is also planning to move into central European markets.

Ayub expects that the winning combination of deep history, unbeatable expertise, and a forward-looking strategy will push a dramatic transformation over the next several years. Aktia's growing base of international investors and clients demonstrates its strong value proposition, and Ayub said the best is yet to come.

"We have a lot of international investors in our debt products. When we go out with bond issuances, we have a good number of German investors. I think - particularly in days like these we are living - the rather conservative profile and stability of our bank is delivering something that investors do value. When I talk to investors, the response is positive and the dialogue is easy. We offer a very clear perspective, a clear and sharp strategy, and it is easy for investors to understand the risks they're taking as a result. This is a strong advantage for us," he said.



# Nordic BioTech Group - Nature as Architect Against Pandemic



Kristoffer Ekman  
CEO - Nordic BioTech  
Photo by Atelier Nyblin

Although economic fallout from the coronavirus pandemic has been devastating, in-demand industries and companies are set for a major growth spurt as the world searches for a new normal. The Economist Intelligence Unit forecasts global healthcare spending will rise by 5.5% in dollar terms next year, while the global personal protective equipment market is forecast to grow by 6.7% annually until 2027 to reach \$84.7 billion in value.

In Finland, a country known for its advanced research and development (R&D), life sciences, and biotechnology ecosystems, economic growth is set to rebound to 3% in 2021, after a projected 5% contraction in 2020.

New growth will be driven by companies like Nordic BioTech Group, the creator of a unique and innovative, natural antimicrobial solution called NordShield, a multi-purpose product designed to prevent the spread of disease, viruses, bacteria, and infection. This technology offers a game-changing value proposition for governments, companies, and individuals seeking a safer and cleaner existence.

Nordic BioTech Group was founded in 2016 after more than a decade of intensive R&D under the guidance of polymer chemist Kari Holopainen. Its CEO, Kristoffer Ekman, has spent more than 15 years establishing and overseeing commercialization and business development strategies for companies ranging from startups to some of the world's best-known multinationals, including Accenture Nordic, Cognizant Technology Solutions (CTS) and Infosys.

For Ekman, the pitch is simple. "Our technology is sustainably produced from renewable ingredients, safe for the environment, free of heavy metals such as silver, and as our product is produced from by-products of the forest industry, we have nearly limitless access to the ingredients for NordShield. The technology is also non-leaching and has a lower risk of generating resistant

microbes or 'superbugs' as is the case with e.g. antibiotic resistance. Our break-through technology ticks all the boxes," he said.

The way NordShield works is that once applied, it forms an antimicrobial protective layer that captures and inactivates the virus or bacteria, and prevents them from spreading, similar to a spider web catching a fly. In textile applications, the layer is durable and retains its properties even after dozens of times of washing.

The technology has many functions and can be used to treat many different kinds of surfaces, e.g. textiles, non-wovens, and filters by imparting antifungal, antibacterial and antiviral properties to the treated surfaces.

NordShield's anti-viral properties are particularly attractive given the world's current state of affairs, and in trials conducted with modified vaccinia virus Ankara, a test used to determine its efficacy against enveloped viruses including SARS-Coronavirus, MERS-Coronavirus, and the human coronavirus, NordShield-treated fabric reduced viruses by 99%.

In fact in April this year, the company announced it has made its water-based antimicrobial fiber application available free of charge to European authorities to be used in their pandemic response. So far bureaucracy, hierarchy, and slow decision-making has made it challenging for authorities take up the offer, despite significant interest.

"We are still not over the pandemic and our offer remains valid. We

welcome all European authorities to get in touch with us and we will send NordShield to them upon request - and we would be honored to help them in helping their people with our technology," said Ekman.

Before the pandemic, the company had already partnered with organizations around the world, forging new ties with groups in Finland, Sweden, Germany, France, China and Japan. It is working to develop a broad range of applications for NordShield, most notably for medical and personal care industries.

Now overseeing an international team comprising more than 100 employees and partners, Ekman plans to accelerate the company's global expansion as commercialization was ramped up in September. New joint ventures and partnerships are expected in the near-term, and Nordic BioTech Group has fielded dozens of calls and queries from interested parties. But for Ekman, it's all about finding the right fit.

"We do a thorough due-diligence on the companies that we work with and more than often end politely declining potential partners. We need them to have the same value-based approach as we do. Us representing a natural based product is the basis for our value proposition. We put a lot of emphasis on being connected to the right brands, that like us, want to create the best tomorrow," he said.

