



European Investment Fund: Financing of Innovation and Technology

7 June 2018, Sofia

EIF enabling access to finance for SMEs across Europe



Resources

Institution

Intermediaries

Beneficiaries



Member States and Regional Governments

Public Institutions

Third party private investors



Intermediaries and Counterparts

- Fund Managers
- Commercial Banks
- Development and Promotional Banks
- Guarantee Institutions
- Leasing Companies
- Microfinance Institutions
- Business Angels
- Universities



micro- and social enterprises, SMEs, small mid-caps

EIF's business model, mission and products



- EIF is not a bank. Hence, no financial (and modest operational) leverage
- EIF is an **alternative asset manager** mobilising capital from mandators according to predefined policy and financial objectives
- Main missions:
 - Promote **access to affordable finance** for SMEs and small mid-caps
 - Support **innovation and entrepreneurship**
 - Provide a **financial return** to shareholders
- Two main product families
 - Indirect equity** (from technology transfer (TT)/seed/early stage to lower mid-market (LMM)) via a **fund of fund (FoF) model**
 - Portfolio guarantees** (capped/uncapped; first/second loss)



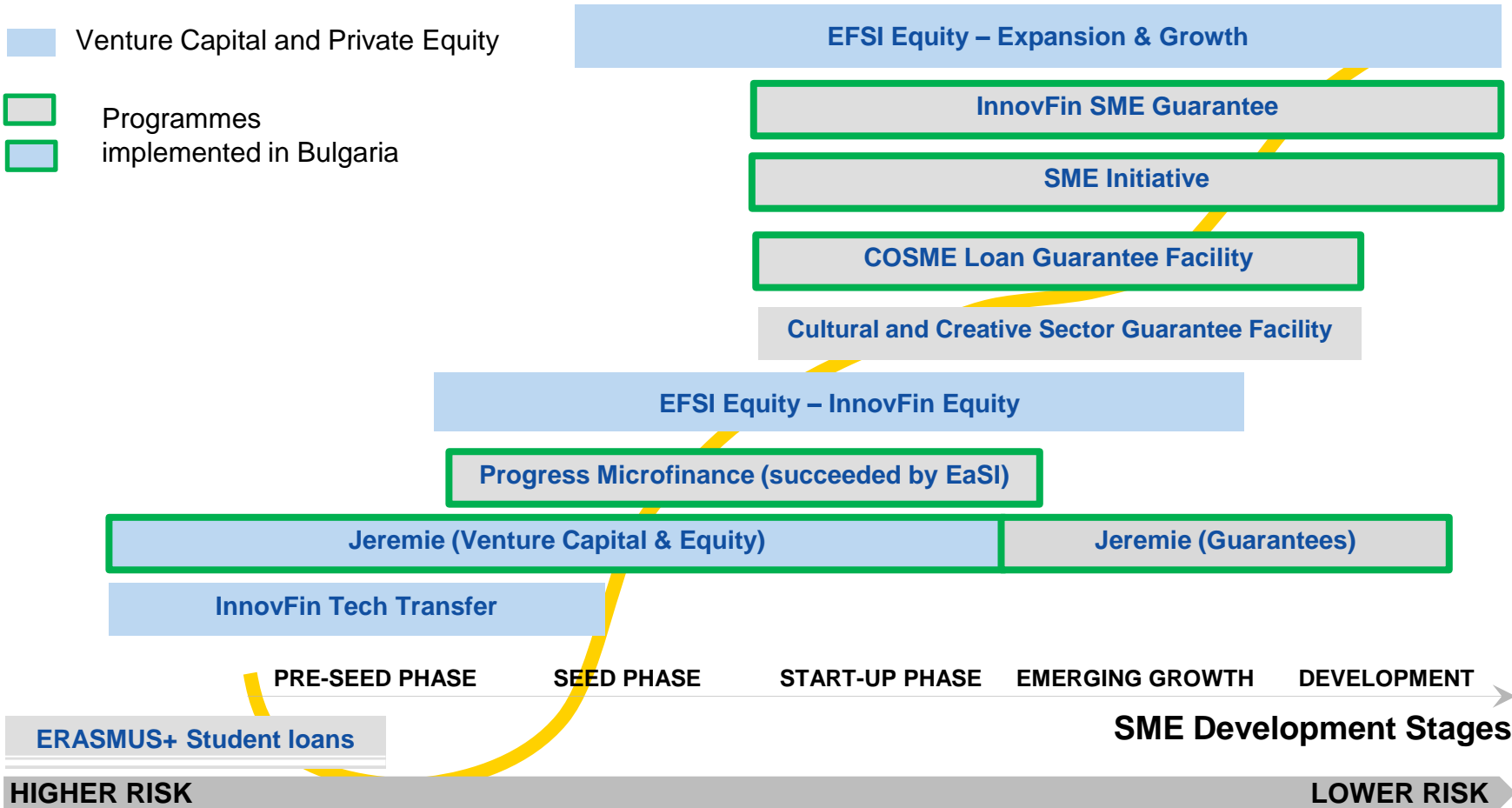
Programmes helping SMEs at every stage across sectors and geographies



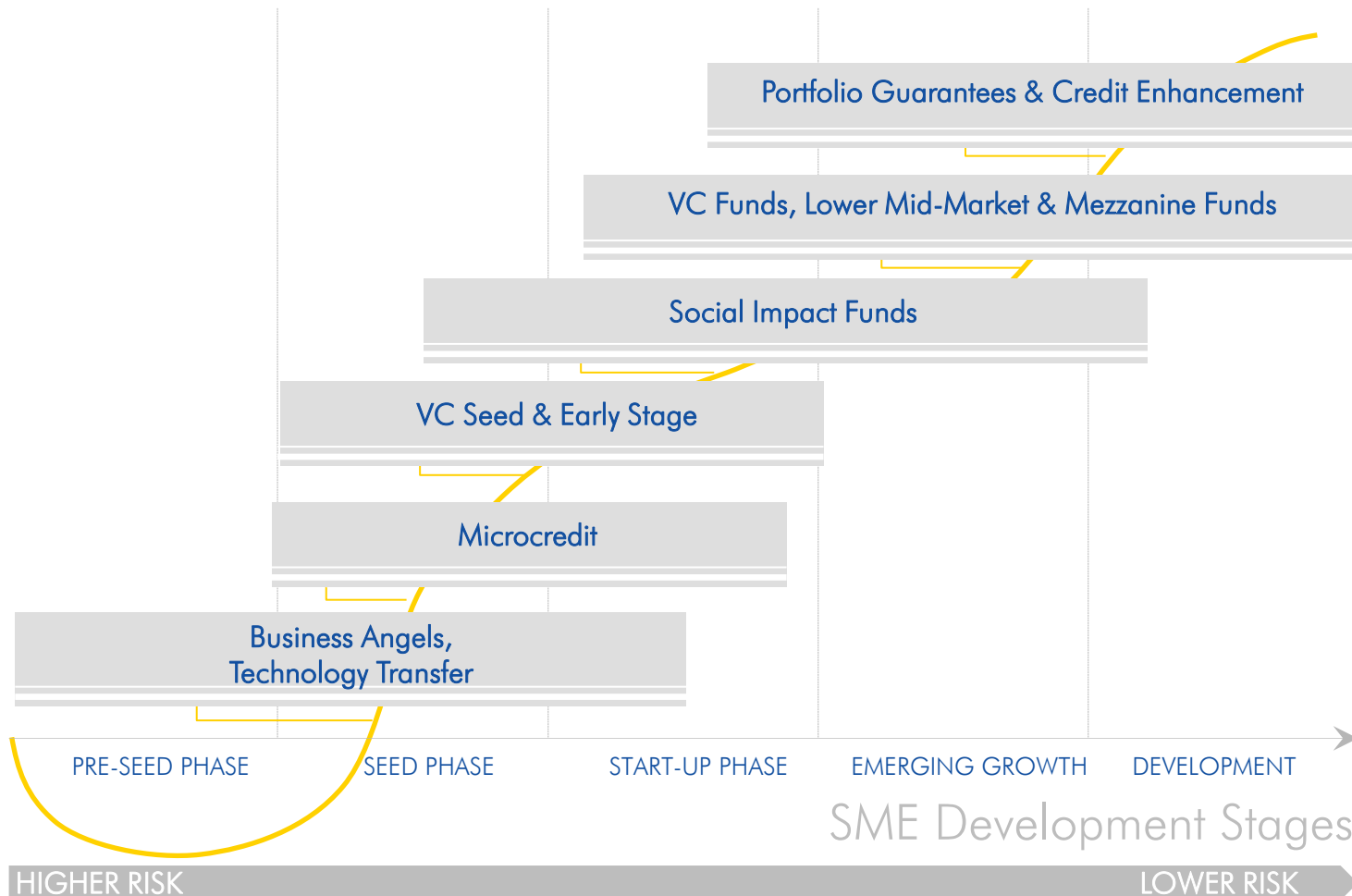
Guarantees & Debt

Venture Capital and Private Equity

Programmes implemented in Bulgaria



Products to help businesses at every stage of their development



Strong presence in Bulgaria

Equity – targeting companies in early development stage; key role in creating the start-up ecosystem in Bulgaria

- 5 Venture Capital funds, investments in 215 young companies, incl. 180 start-ups

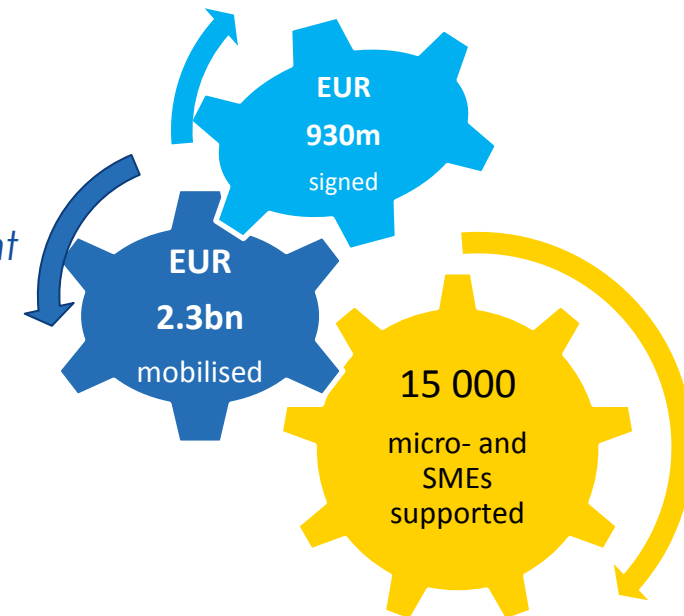
Guarantees – targeting innovation, growth and employment

- More than 12,000 credits to SMEs and small mid caps so far

Microfinance – targeting micro-enterprises with up to 10 employees

- EUR 23m mobilized until 2017

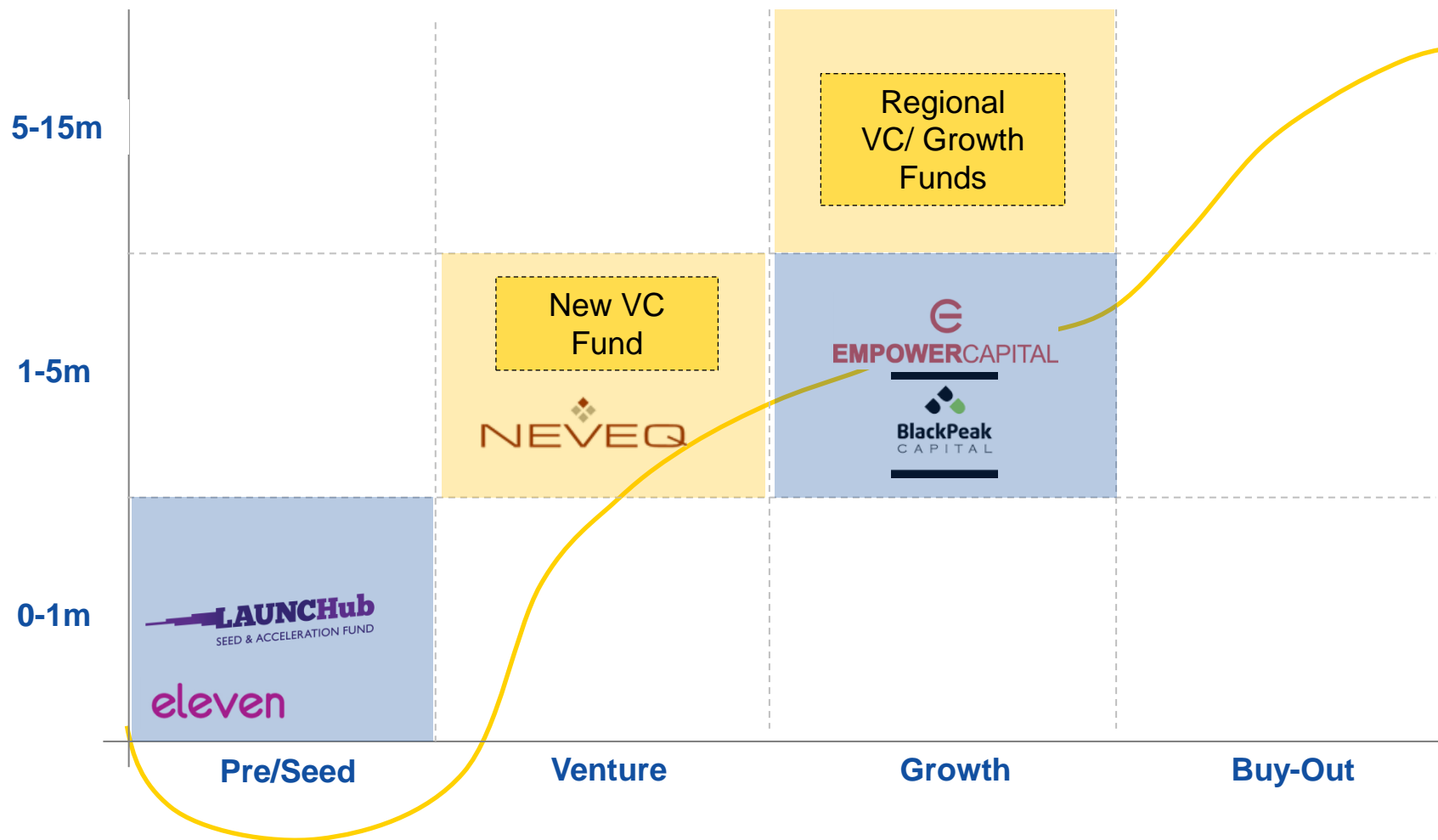
EIF's support for business
2012 – 2017



Investment Plan for Europe SME Window

Bulgaria ranks third in mobilised investments per EURm of GDP

EIF Equity coverage in Bulgaria



JEREMIE Bulgaria Equity: Investment Figures

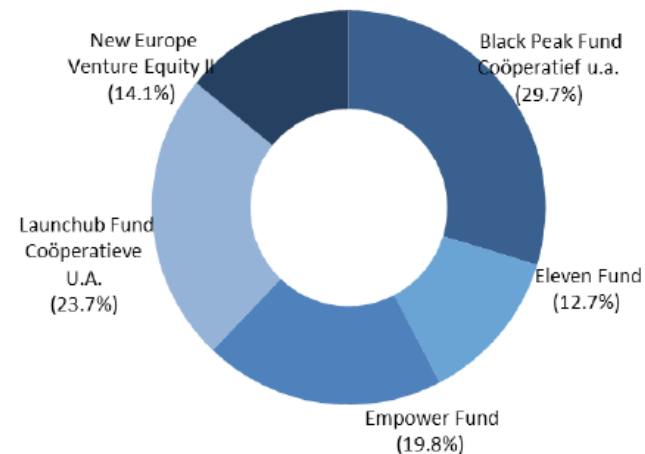
COMMITMENTS (A)	FUND SIZES (B)
EUR	EUR
101.1M	162.9M

CATALYTIC
EFFECT
(B/A)
1.5x

DRAWN	INVESTED IN SMEs
EUR	EUR
77.3M	112.1M

SIGNED FUNDS	# INVESTMENTS
5	215

Commitments per Fund



What's next in Bulgaria

2016-2017

- **JEREMIE completion:**
 - 100% utilization, 2.6x leverage;
 - Impact on ~10,000 SMEs;
 - Created the VC & PE market.
- **Reflows Investment Strategy development & approval**
- **Top-ups to equity funds:**
 - Mostly follow-on capacity;
 - Selective new investments;
 - Higher alignment with market

Overall allocation: ~EUR 50mn



2018

- **Venture Capital Fund:**
 - Accelerator component;
 - Ability to invest outside BG;
 - EUR 20mn allocation;
 - Investment launch imminent.
- **Regional Equity Platform:**
 - Blending of funds BG,RO&EIF;
 - Investment in VC/Growth funds
 - EUR 50mn allocation.

Overall allocation: ~EUR 70mn