

EIF in Bulgaria

Key figures

- First EIF operation in Bulgaria: 2001
- 5 supported Private Equity Funds which invested in Bulgarian SMEs
- 10 Partner Finance and Guarantee Providers
- 3,300 supported Bulgarian SMEs

Guarantees & Securitisation

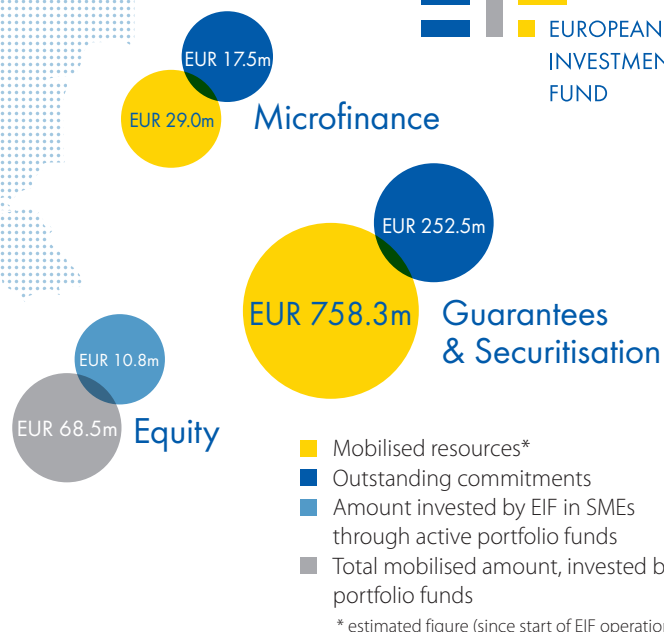
EIF has actively supported Bulgarian SMEs through guarantees and securitisation transactions with a number of financial institutions, such as the Bulgarian Development Bank, Raiffeisenbank Bulgaria, National Guarantee Fund and ProCredit Bank. Further SME risk sharing operations have been concluded under the JEREMIE initiative (see below).

Equity

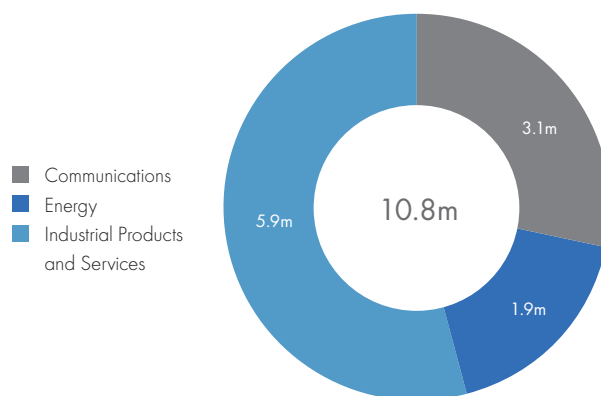
EIF investments in Bulgaria cover mostly mezzanine funding supporting companies in the Industrial, Product & Services, Communications and Energy sectors. Furthermore, 2012 highlights include the first two equity transactions in Bulgaria committed by EIF under JEREMIE (see below), both of which focus on pre-seed and seed investments and are expected to have a positive impact on the entrepreneurial and innovative ecosystem in Bulgaria positioning it as the hub for starting a business in the Balkans.

Support to SMEs in regionally specific ways through EU structural funds

In Bulgaria, EIF is managing EUR 349m resources from the Operational Programme Competitiveness under JEREMIE (Joint European Resources for Micro to Medium Enterprises) initiative, launched in cooperation with the European Commission, which offers EU Member States, through their national or regional Managing Authorities, the opportunity to use part of the EU allocated Structural Funds to enhance access to finance to SMEs by means of equity, loans or guarantees, through a revolving Holding Fund. EIF has made available so far EUR 230m of JEREMIE resources to Bulgarian SMEs in the form of equity and loan financing. So far, under JEREMIE, approximately EUR 210m loans have been provided through EIF local partners, such as Allianz Bank, CIBANK, First Investment Bank, ProCredit Bank, Raiffeisenbank Bulgaria, Societ  Generale Expressbank, UniCredit Bulbank and United Bulgarian Bank (UBB). Additionally, in 2012, EIF committed into two accelerator funds focusing on high-tech SMEs in their start-up phases: Eleven and LAUNCHub, which manage a EUR 21m Entrepreneurship Acceleration and Seed Financing Instrument under JEREMIE. Eleven has attracted Google as a technological partner and Springboard, the London-based mentorship-led accelerator, as a strategic partner. LAUNCHub cooperates with Seedcamp, the largest early-stage microseed investment fund and mentoring programme in Europe –and with the Cisco Entrepreneurship Institute. The team includes one of the most successful Bulgarian entrepreneurs in the ICT area – Lyuben Belov. The two funds already invested in 25 start-up businesses. 1,400 Bulgarian SMEs have benefited from EUR 84m equity and loan finance made available through JEREMIE.



Sector breakdown of EIF equity investments in Bulgaria (EUR)



Microfinance

Under the Progress Microfinance initiative, EIF is a partner of the Bulgarian Development Bank, Mikrofond AD and Societ  Generale Expressbank, which provide micro-loans to micro-entrepreneurs and self-employed.

EIF at a glance

EIF's mission is to support Europe's micro, small and medium sized businesses (SMEs) by helping them to access finance. EIF primarily designs equity and debt financial instruments which specifically target this market segment through a wide range of selected financial intermediaries across Europe. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

EIF is a public-private partnership whose tripartite shareholding structure includes the European Investment Bank (EIB, 61.9%), the European Union represented by the European Commission (30%) and 24 financial institutions from 15 European Union Member States, including Turkey and Croatia (8.1%). Bulgarian Development Bank belongs to EIF's shareholders in Bulgaria.

The EIF manages resources on behalf of the European Commission, the EIB and further national institutions. Since 2000, EIF is part of the EIB Group. EIF has an authorised capital of EUR 3 billion, divided into 3,000 shares of EUR 1 million each.

Case study

Kostadin is one of the many entrepreneurs who have benefited from the EU support through the JEREMIE initiative. JEREMIE allowed LAUNCHub, a Bulgarian Seed and Accelerator Fund to give him further capital to start-up iMediaShare, a cloud-based mobile media control technology, and carry out his ambitions.



Company

iMediaShare, Sofia, Bulgaria

Type of business

Internet Technology

Investor:

LAUNCHub Seed and Accelerator Fund

Invested amount

EUR 200,000

iMediaShare, play videos from your mobile to your HD TV: no box, no cables, no TV apps!

You've just come back from a week in the sun and can't wait to show a group of friends your holiday photos together. The only problem is that all your photos are on your tiny razor thin smartphone. iMediaShare solves this problem in seconds. Without a cable or a wide screen projector you can simply stream the photos directly to your widescreen TV and share them with the group there and then. The same goes for TV programmes, videos and other content you might have on your phone.

iMediaShare is among the first batch of innovative start-up companies financed by LAUNCHub in 2012, under the JEREMIE Acceleration & Seed Instrument. Founded by a team of experienced IT entrepreneurs, iMediaShare has developed a cloud-based video streaming platform providing an easy and convenient way to watch online videos on TV, instantly and free of charge.

By the end of 2012 iMediaShare had 1 US patent granted and 1 in review and had already received 4 innovation awards. In the same year, there were over 3.5 million downloads from the site and more than 1 million active users each month, growing at 12% month on month. Over 10 million media files are streamed from this site per month.

With the EUR 200,000 LAUNCHub investment, the company will continue to grow its user base via niche content currently unavailable on TV screen and rich content discovery options while introducing VOD subscription services. The target set for 2013 is to reach 2 million active users per month.

European Investment Fund

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