



FUND OF FUNDS
FUND MANAGER OF
FINANCIAL INSTRUMENTS
IN BULGARIA

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STRATEGIC POSITIONING AND OVERVIEW OF THE FINANCIAL INSTRUMENTS 2021-2027



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WE IMPLEMENT FINANCIAL INSTRUMENTS IN BULGARIA

COMPANY OVERVIEW

- A state-owned financial institution tasked with the implementation of ESIF co-financed financial instruments in Bulgaria
- Proven track record for economic and social impact
- 3600+ supported projects as of December 2023

PRODUCT OFFERING

- Credit enhancements (e.g. Portfolio guarantees and funded risk sharing)
- Infrastructure (Municipal and environmental infra debt funds)
- Venture capital (Structuring and anchor investments in VC funds)

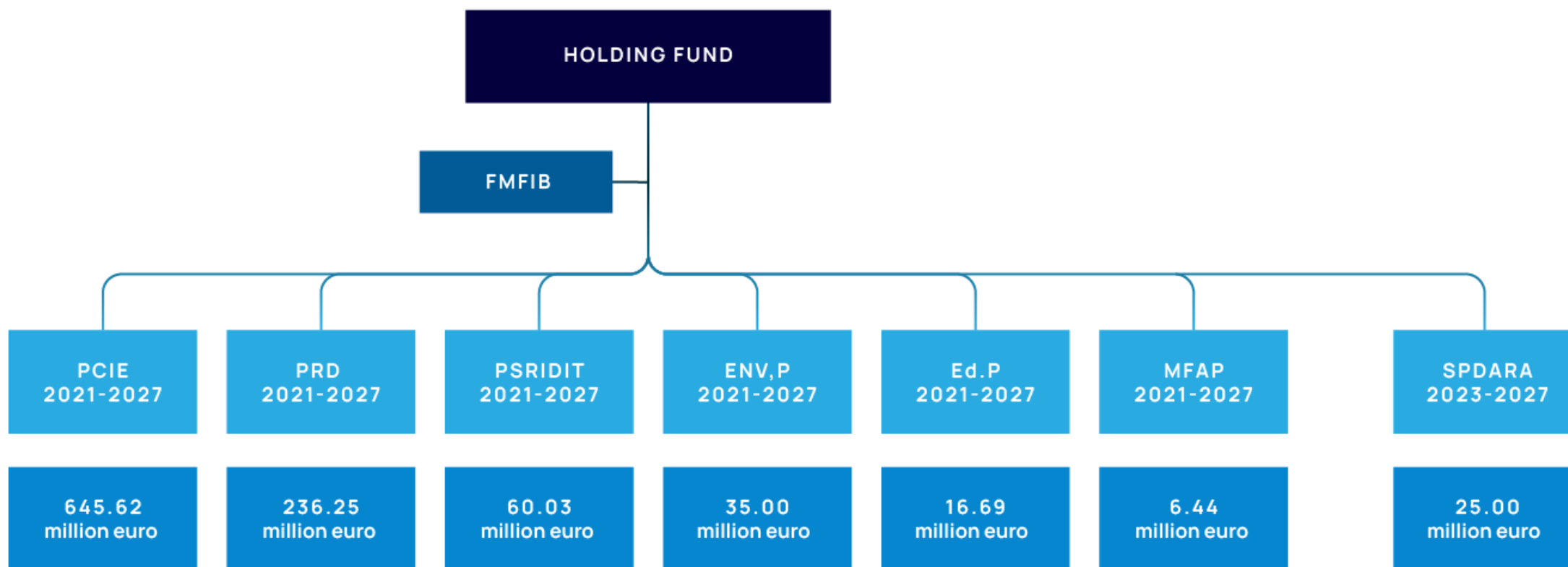
KEY ADVANTAGES

- Resilient governance and legislative adherence
- Professional team and strong leadership
- Active market approach and a strong partnership network

FINANCIAL PRODUCTS 2021-2027



For the programming period 2021-2027 FMFIB will manage **EUR 1 025.04 M** for financial instruments and GFA, combined with FI in single operation



PA 1 "INNOVATION AND GROWTH"
€ 356,9 M

SO (i) Developing and strengthening research and innovation capacity and the introduction of advanced technologies	SO (ii) Reaping the benefits of digitalization for citizens, companies, research organizations and public authorities	SO (iii) Promote sustainable growth and competitiveness of SMEs and job creation, including through inputs investment
SO (i) Developing and strengthening research and innovation capacity and the introduction of advanced technologies	Nurture I4.0 Equity FI combined with grant € 52,3 M	Family of Funds "Entrepreneurship" from concept to growth € 110.7 M
Equity fund "Enterprises' innovation" € 34,1 M	Achieve I4.0 Equity FI combined with grant € 41,5 M	Debt FI for ITI* € 36,1 M
Debt FI for risk financing of innovation € 33,9 M	Expand I4.0 Guarantee FI € 48,3 M	

PA 2 "CIRCULAR ECONOMY"
€ 288,7 M

SO (i) Promote energy efficiency and reduction of greenhouse gas emissions	SO (vi) Promoting the transition to a circular and resource-efficient economy
Debt FI for loans and guarantees for energy efficiency in enterprises combined with grant € 133,3 M	Debt FI for loans and guarantees for resource efficiency in enterprises combined with grant € 155,4 M

Innovations in enterprises



Fund for equity and quasi-equity investments

Budget in million EUR: 34.1 (maximum amount of investment: up to EUR 1 million) for SME, small midcaps and midcaps
Creation and development of innovative enterprises, prioritized in the high-tech or medium-high-tech sectors of the manufacturing industry and knowledge-intensive services. Access to R&D and innovations, as well as their internal implementation in order to increase the number of those realized on the market so called „in-house“ innovations. Sector-focused investments under SSS.

Risk debt for innovations



Risk financing - loans and quasi-equity investments mainly in the mature phase

Budget in million EUR : 33.9 (maximum amount of investment : up to EUR 5 million) for SME, small midcaps and midcaps
Upgrading of FI under OPIC 2014-2020, support for fast-growing SMEs that have already benefited from equity financing and need development funds without redistribution of ownership. Financing of projects that are characterized by relatively high risk and capital intensity, which would make it difficult to finance them from existing venture and debt financing markets.

Nurture Industry 4.0 Early stage



Convertible GFA in combination with equity investments and TE

Budget in million EUR : 52.3 (30.25 million for FI+ 22.07 million for GFA) for SME, small midcaps and midcaps.
Support for enterprises at an initial stage of development, for the development and implementation of digital technologies and solutions in the field of Industry 4.0 for stages 3, 4, 5 and 6

Nurture Industry 4.0 Mature stage



Equity and quasi-equity in combination with GFA

Budget in million EUR : 41.5 (35.6 million for FI + 5.9 million for GFA) for SME, small midcaps and midcaps.
The aim of the FI is to promote the implementation of risky projects in the field of digitization, mainly by SMEs. Target ERs are in development stage start-up and scale-up; For implementation of projects by stages of development 3, 4, 5 and 6 of Industry 4.0.

**Expand
Industry 4.0
Guarantees for digitalization**



Individual guarantee debt instrument, with 60% coverage, or risk-sharing financing combined with GFA in two operations

Budget in million EUR: 48.3 + additional 52.0 million EUR for GFA for SME, small midcaps and midcaps

Support for investments aimed at developing digital technologies, software, digital applications in the field of Industry 4.0

**Entrepreneurship
Fund**



Entrepreneurship Fund - equity and quasi-equity financing for all stages of development (from pre-seed to growth)

Budget in million EUR: 110.7 million for SME, small midcaps and midcaps

This FI (family of funds) aims to improve the entrepreneurial ecosystem, attract foreign capital investments, promote fast-growing enterprises and strengthen the results of support through OPIC financial instruments 2014-2020.

**Loans and guarantees
for EE in enterprises**



Debt FI 50% risk sharing and guarantees 50% combined with GFA in one operation

Budget in million EUR: 133.3 (85.19 million for FI and 48.07 million for GFA) for SME, small midcaps and midcaps

Activities to implement EE measures based on energy audit recommendations, stimulating enterprises to use electricity, heat and cooling energy produced from renewable sources for own consumption, including energy storage systems and its subsequent use;

**Loans and guarantees
for resource efficiency**



Debt instrument for loans and guarantees in combination with GFA

Budget in million EUR : 155.4 (97.14 for FI/ 58.29 for GFA) for SME, small midcaps and midcaps.

This FI aims at more efficient use of natural resources in production, reducing the use of primary raw materials, increasing the durability or reuse of products, improving the possibilities of recycling, systems for energy produced from renewable sources for own consumption, management of waste in enterprises and industrial symbiosis.

TECHNOLOGY TRANSFER FUND

Budget

60M Euro
(O/W 10 M Euro grant)

Type of financing

Equity and quasi-equity investments
fund combined with grant

Average size of the investment

2M Euro

Target groups

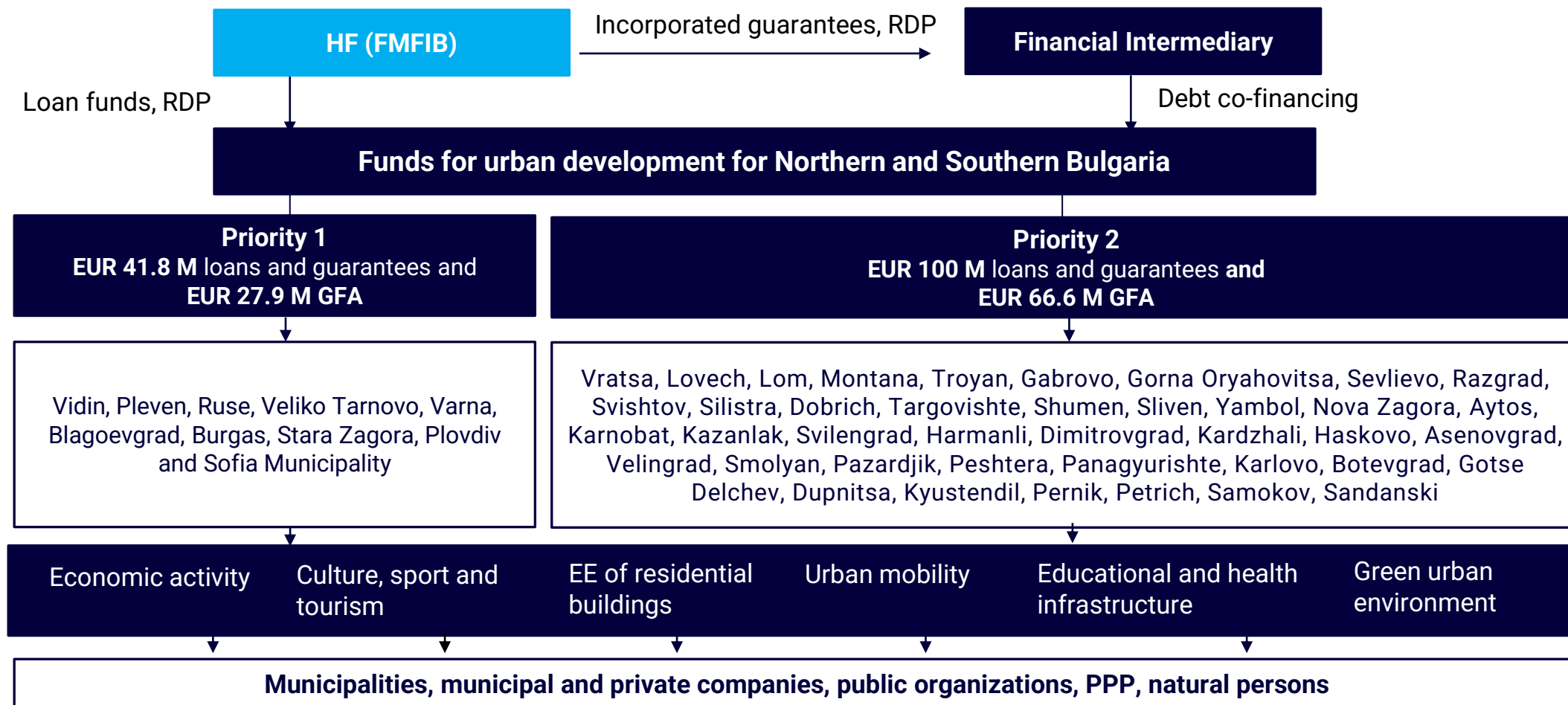
Spin-off companies, high-tech
start-ups and knowledge-based
enterprises as part of industrial
start-up systems



- Support the creation and development of industrial start-up systems aimed at deploying high levels of research and innovation;
- Technology transfer and commercialization, including both products for early-stage spin-off companies and products to support their commercialization plans for the technologies developed;
- Support for the translation of scientific developments into marketable products and technologies;
- Stimulating the process of scaling-up and acceleration of start-ups around mature industries and clusters, to share the benefits of research and innovation in a highly efficient way;
- Possibility of combined support of grants and financial instruments in one operation.

IMPLEMENTATION STRUCTURE OF THE FI UNDER THE PRD 2021-2027

- BUDGET: EUR 236.3 M, incl. EUR 141.8 M for loans and guarantees and EUR 94.5 M for GFA



ACTIVITIES ELIGIBLE FOR FUNDING UNDER P1 AND P2



- **Measures to promote economic activity:** infrastructure for business and entrepreneurship (including buildings), business and industrial parks, etc. infrastructure for innovation and development of SMEs;
- **Energy efficiency and renovation of residential and public buildings** and student dormitories, incl. integrated RES installations
- **Sustainable urban mobility:** investments in infrastructure and equipment, replacement of rolling stock;
- **Urban infrastructure:** public areas for recreation and green areas, renovation of specific territories, etc.
- **Educational infrastructure** for school and higher education, as well as nurseries and kindergartens ;
- **Health and social infrastructure:** general practitioners; equipment for cardiovascular and oncological diseases; construction of municipal health infrastructure; social services for residential care and emergency accommodation;
- **Culture, sport and tourism:** infrastructure and equipment for mass sports; infrastructure for cultural organizations and sites and buildings, tourism development.

**WATER & SEWERAGE
 INFRASTRUCTURE
 DEBT FI**



WASTE DEBT FI



BUDGET

Water - EUR 20.0 M

Waste – EUR 15.0 M

TYPE

Debt FI, including in combination with GFA in two operations

FINANCIAL PRODUCTS

Water - a loan intended for water and sewerage own participation in combined financing with a grant

Waste - equity loan for municipal waste management infrastructure or equity loan for recycling projects

PERFORMANCE

Through financial intermediaries

TARGET GROUPS

Water and sewerage operators; municipalities

ELIGIBLE ACTIVITIES - WATER

- Infrastructural measures for the collection, removal and treatment of waste water, including and for projects whose implementation started in the period 2014-2020
- Infrastructural measures for water supply with a contribution to reducing water losses and improving the quality of drinking water, including and for projects whose implementation started in the period 2014-2020

ELIGIBLE ACTIVITIES - WASTE

- Recycling measures allowed in combination with separate collection and pre-treatment of separately collected waste
- Measures for construction, expansion and/or upgrading of municipal/regional systems for separate collection and recycling of biodegradable waste according to Appendix No. 8 of the 2021-2028 National Waste Management Plan - for Regional Waste Management System

**DEBT FINANCIAL
INSTRUMENTS**

**EQUITY FINANCIAL
INSTRUMENTS**



BUDGET

EUR 16.69 M

TYPE

Debt financial instruments and Equity financial instruments

FINANCIAL PRODUCTS

Loans and guarantees / equity and quasi-equity investments for starting your own business or other type of entrepreneurial activity for the target groups

PERFORMANCE

Through financial intermediaries

TARGET GROUPS

Students and doctoral students, with the participation of professors in higher schools

ELIGIBLE ACTIVITIES

- The purpose of the financial instrument is to provide access to financing under good conditions for self-employment and a quick and focused transition from higher education to employment. It is expected that 227 start-ups will be supported.
- FIs are planned for support under Priority 3 Connection of education with the labor market of the Education Program 2021-2027

DEBT FINANCIAL INSTRUMENTS FOR LOANS AND GUARANTEES



BUDGET

EUR 25.00 M

TYPE

Debt financial instruments, including in combination with GFA

FINANCIAL PRODUCTS

Loans to finance beneficiaries' own participation under contracts with GFA and independent loans for eligible projects

PERFORMANCE

Through financial intermediaries

TARGET GROUPS

Agricultural holdings and enterprises in rural areas

ELIGIBLE ACTIVITIES

- The purpose of the FI is to provide access to financing for investments and working capital in the implementation of eligible projects under SPDARA 2023-2027
- FIs are intended for support under interventions 'Investments in agricultural holdings', 'Investments for processing of agricultural products', 'Investments for non-agricultural activities in rural areas', 'Supporting the development of small agricultural holdings', 'Supporting the development of young farmers' and others.

DEBT FINANCIAL INSTRUMENTS FOR LOANS AND GUARANTEES



BUDGET

EUR 6.44 M

TYPE

Debt financial instruments, including in combination with GFA

FINANCIAL PRODUCTS

Individual guarantees to cover credit risk and risk-sharing loans for self-financing of projects, or in addition to GFA

PERFORMANCE

Through financial intermediaries and directly by FMFIB

TARGET GROUPS

enterprises, municipalities etc.

ELIGIBLE ACTIVITIES

- The purpose of the FI is to provide access to financing for investments and working capital in the implementation of eligible projects under MFAP 2021-2027
- The FIs are intended to support specific objectives 'Promoting sustainable aquaculture activities, in particular by strengthening the competitiveness of aquaculture production while ensuring that activities are environmentally sustainable in the long term', 'Promoting the supply of the market, quality and added value of fishery and aquaculture products, as well as the processing of these products', etc.



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