



SLOVENE ENTERPRISE FUND - SEF



# Financial incentives – for the growth of your enterprise





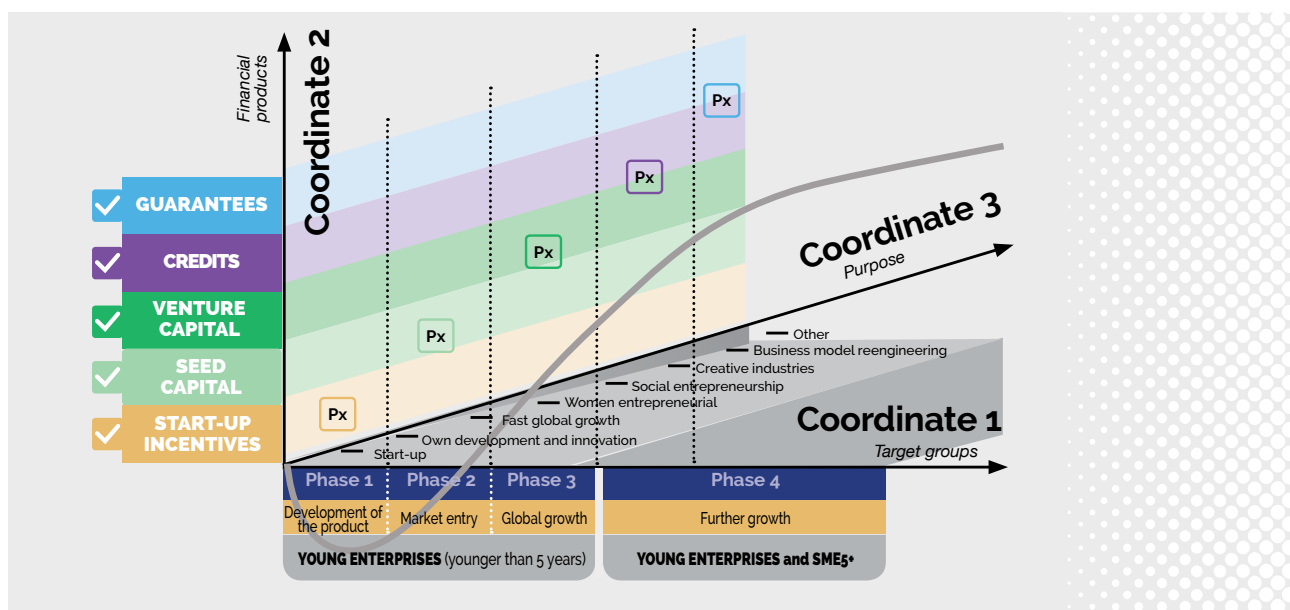
**SLOVENE ENTERPRISE FUND - SEF**

## WHO IS SEF?

THE SLOVENE ENTERPRISE FUND (HEREINAFTER THE FUND OR SEF) REPRESENTS THE CENTRAL FINANCIAL SUPPORT FOR MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs) TO IMPROVE THEIR ACCESS TO FINANCE ON THE FINANCIAL MARKET.

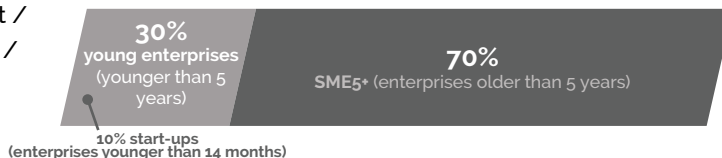
## COORDINATES OF SEFs OPERATION

The FUND operates in compliance with three coordinates:



**Coordinate 1** - financial incentives are divided according to the life cycle phases of an enterprise:

1. Development phase / product development /
2. Development phase / entry into the market /
3. Development phase / global growth/
4. Development phase / further growth/



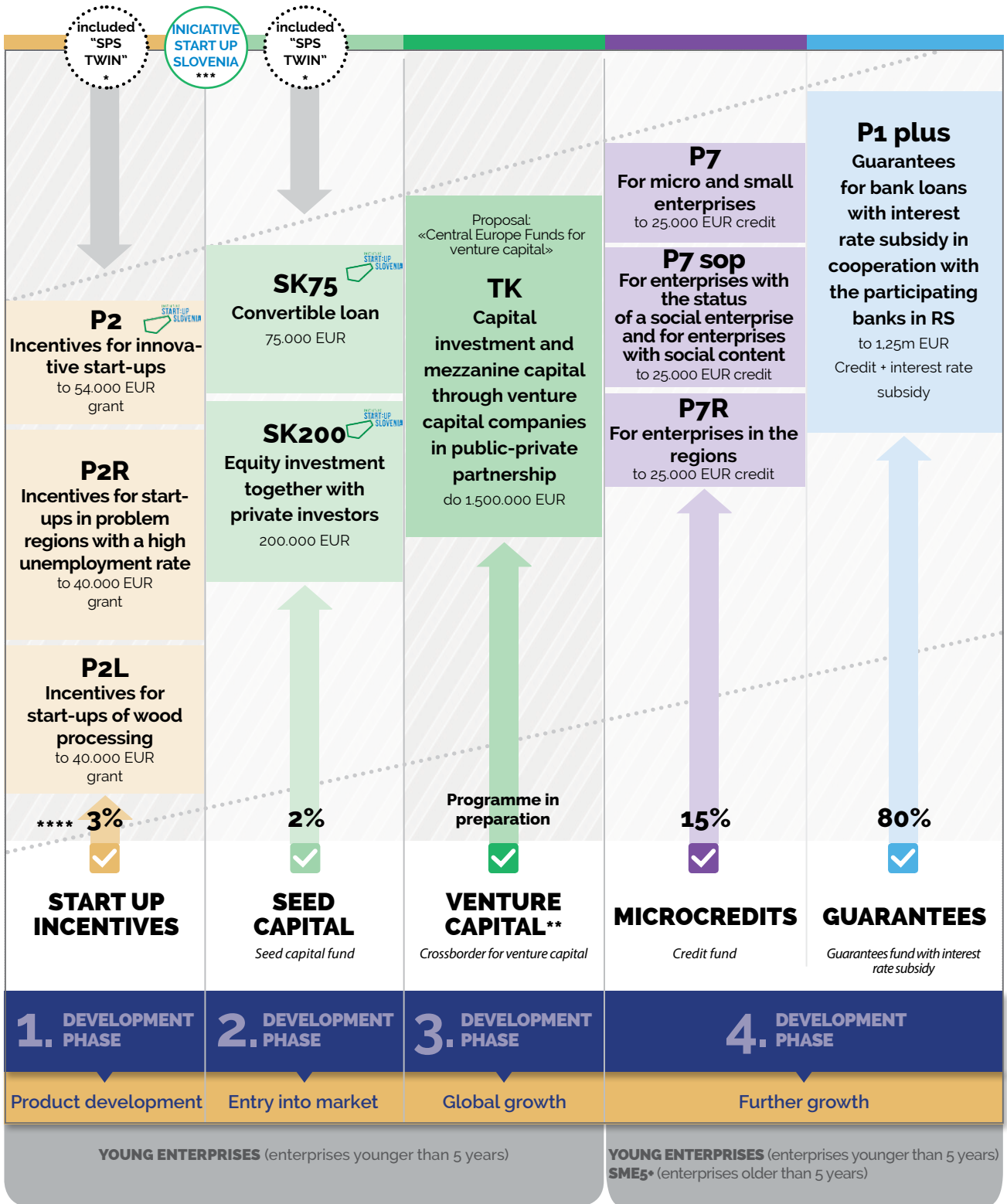
**Coordinate 2** - SEF offers financial products in form of:

- **START-UP INCENTIVES** (grants) for establishing an enterprise
- **SEED CAPITAL** (convertible credits and capital investments) for the entry and expansion on the market
- **VENTURE CAPITAL** (mezzanine capital) for rapid global growth
- **MICROCREDITS** (direct SEFs credits) for specific target groups for current operation
- **GUARANTEES** for bank credits with interest rate subsidy for current operation and further growth

**Coordinate 3** - financial incentives are intended to finance various development business activities, such as:

- START-UP OF AN ENTERPRISE
- OWN DEVELOPMENT AND INNOVATION
- RAPID GLOBAL GROWTH
- WOMEN ENTREPRENEURSHIP
- SOCIALLY USEFUL PRODUCTS AND SERVICES
- CREATIVE INDUSTRIES
- TRANSFER OF OWNERSHIP BETWEEN GENERATIONS
- BUSINESS MODEL REENGINEERING
- OTHER

# FINANCIAL PRODUCTS 2016



\*\*\*SEF Twin" Combination of financial and substantive support

\*\* "Venture capital" – programme in preparation, potentially available in the second half of 2016

\*\*\* /Part of the programme INITIATIVE START-UP SLOVENIA/ [www.startup.si](http://www.startup.si)

\*\*\*\*Share of support in 2016



## 1. DEVELOPMENT PHASE

### PRODUCT DEVELOPMENT

/Establishment, preparation of a MVP (Minimum Viable Product) on the basis of own development, creation of an entrepreneurial team/

## ✓ START UP INCENTIVES



## For start-up of young enterprises

**START UP INCENTIVES ARE INTENDED TO START UP ENTERPRISES (YOUNGER THAN 14 MONTHS) AT THE BEGINNING OF THEIR WAY, THAT HAVE A POTENTIAL FOR RAPID GROWTH, A POSITIVE ECONOMIC IMPORTANCE AND ARE, ACCORDING TO THE ANALYSIS OF MARKET GAPS, ASSESSED AS EXTREMELY VULNERABLE GROUPS IN THE MARKET, THEREFORE THEIR EXISTENCE IS ENDANGERED.**

**Start-up incentives are available to newly established enterprises in the first development phase in three forms:**

- Incentives for innovative start-ups (P2)**  
The purpose of the product is the support of start-up enterprises with a potential for rapid growth and that develop innovative products, processes and services with high added value for a broader market. In addition to the financial incentives the start-up enterprises are also entitled to substantial support from the best local and foreign start-up mentors - "SEF twin".
- Incentives for start-ups in the problem regions with high unemployment rate (P2R)**  
The purpose of the product is the support of start-up enterprises, which are not technologically innovative, but their classic project has a positive economic and social potential, especially in terms of reducing the unemployment in problem regions.
- Incentives for start-up enterprises in the field of wood utilization (P2L)**  
The product is designed for new enterprises in the field of wood utilization. The goal is the introduction of products and services with a higher value added in the field of wood utilization and the integration and exchange of knowledge in the forest-wood chain.

\* MVP - minimum viable product

## 2. DEVELOPMENT PHASE

### ENTRY INTO THE MARKET

/Continued financing of development activities, finalization of the prototype, first market analysis, making contacts with potential buyers/

## ✓ SEED CAPITAL



## For a faster market entry of innovative enterprises

**SEED CAPITAL** IS INTENDED TO YOUNG ENTERPRISES (YOUNGER THAN 5 YEARS) IN THE SECOND DEVELOPMENT PHASE FOR A FASTER MARKET ENTRY AND EXPANSION OF YOUNG INNOVATIVE ENTERPRISES ON THE MARKET:



Young high-tech enterprises that are in their early stages of development particularly vulnerable to market changes are suitable, for the support in the form of **seed capital**. These companies have high growth potential, potential to create new jobs, but in their struggle for a successful and faster market entry are in urgent need of adequate financial resources and professional assistance at the implementation of their business processes. The product operates in the way, that the holding fund (SEF) alone and / or together with private investors directly co-invests in the form of:

- convertible loan (SK75)**  
 The product SK75 is intended for young enterprises (younger than five years), that have, during their testing on the market, already confirmed the existence of the problem with the prototype or MVP (Minimum Viable Product) and are in need of investment funds for further product development and testing of its functionality.
- capital investment (SK200)**  
 The product SK200 represents another form of seed capital through which the SEF, together with private investors, directly invests in a young enterprise (younger than five years). Capital investment is suitable for young enterprises that already have a completed product, are already selling it, but want a fast expansion and growth on the market.

Young enterprises are in the context of both forms of seed capital in addition to financial resources also entitled to substantial support from the best local and foreign start-up mentors - "SEF TWIN".

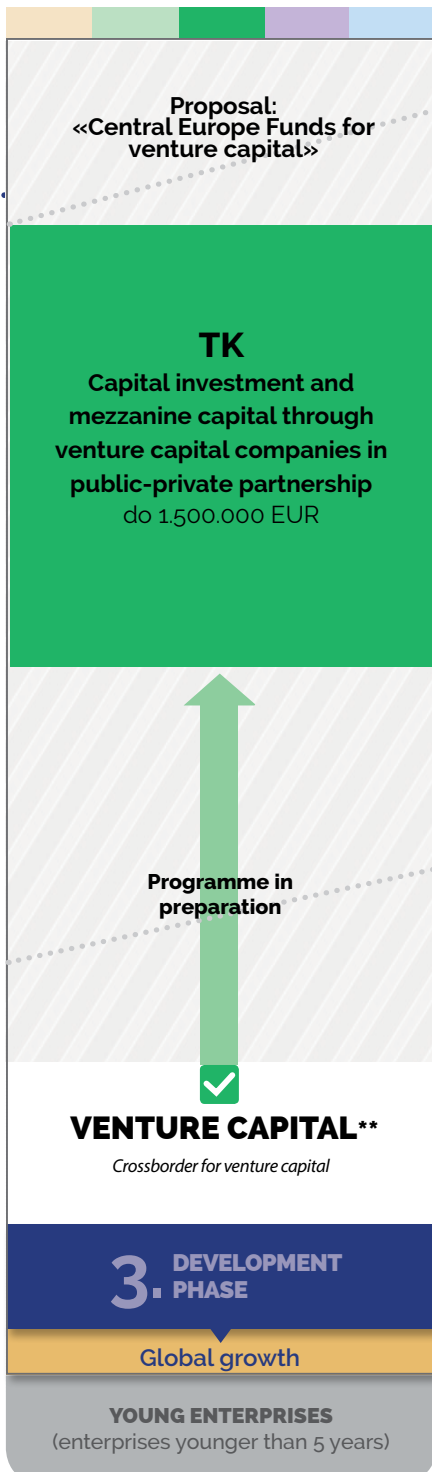


**3. DEVELOPMENT PHASE**

**GLOBAL GROWTH**

/ First entry on global markets, business expansion, rapid growth/

**✓ VENTURE CAPITAL**



**For a fast growth of young enterprises on global markets**

SUPPORT IN THE FORM OF **VENTURE CAPITAL** INCLUDES THE ENTRY INTO THE OWNERSHIP STRUCTURE AND MANAGEMENT OF THE ENTERPRISE IN COOPERATION WITH PRIVATE INVESTORS WITH CAPITAL INVESTMENTS (VENTURE CAPITAL AND MEZZANINE CAPITAL).

This is the support in the third development phase in the form of capital investments and mezzanine loans for fast-growing innovative enterprises in cooperation with private investors through private venture capital companies that enables the beginning of the global markets entry and the expansion of operations. This enables the innovative enterprises a rapid global growth.

In preparation is a new concept of support through venture capital, which should be designed as a Central-European Fund of funds for venture capital for Slovenia, Italy, Austria, Hungary, Slovakia and Czech Republic.

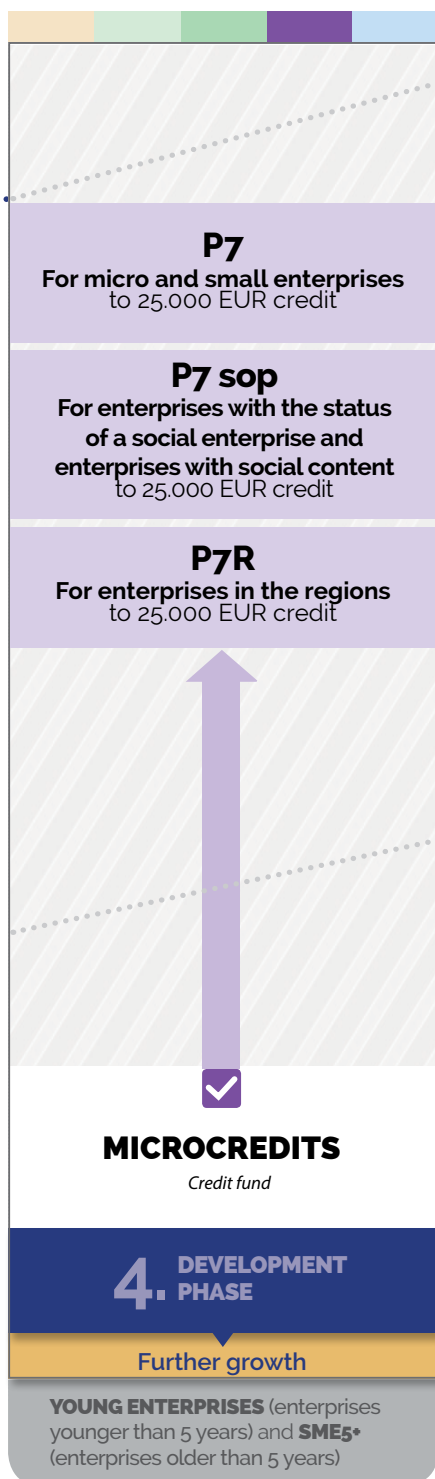


## 4. DEVELOPMENT PHASE

### FURTHER GROWTH

/current operation, further growth and development of the enterprise/

## ✓ MICROCREDITS



## For current operation of specific target groups

**MICROCREDITS** REPRESENT DIRECT CREDITS OF SEF AT A FAVOURABLE CONTRACTUAL INTEREST RATE. THIS KIND OF FINANCING ENABLES ENTERPRISES OR SPECIFIC TARGET GROUPS, WHICH REPRESENT A SPECIFIC MARKET GAP, ACCESS TO FAVOURABLE FINANCING RESOURCES IN THE FOURTH DEVELOPMENT PHASE FOR FINANCING OF FURTHER GROWTH AND DEVELOPMENT, INVESTMENTS AND CURRENT OPERATION OF THE ENTERPRISE.

The purpose of microcredits is an **easier and simpler access to sources of financing on favorable terms of financing**, which are shown by a lower interest rate, lower collateral requirements, maturity of the credit and the possibility of a grace period for repayment of the credit as well as limitation of excessive approval procedures for the credit.

We offer microcredits in form of:

- **Microcredits for micro and small enterprises (P7)**  
The purpose of the product is easier access to favourable sources of financing for growth and development, investments and current operation of the enterprise on a national level.
- **Microcredits for enterprises with the status of social enterprise and enterprises with social content (P7 SOP)**  
The product enables the direct provision of affordable sources of financing to enterprises with the status of social enterprise and enterprises with social content for a smooth operation and the strengthening of an entrepreneurial activity. This form of microcredits is intended for the social activation of people considered as vulnerable or underprivileged groups on the labor market or in the society.
- **Microcredits for regions (P7R)**  
The product allows easy and fast access to liquidity funds for enterprises in individual regions.

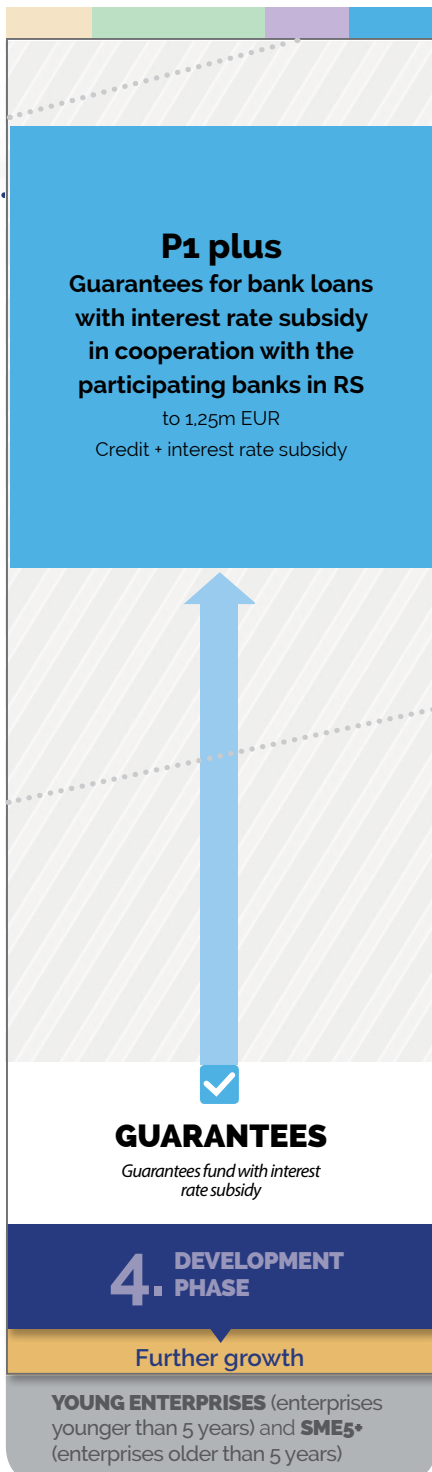


## 4. DEVELOPMENT PHASE

### FURTHER GROWTH

/current operation, further growth and development of the enterprise/

## ✓ GUARANTEES



## For further growth and development of SMEs

SEF'S GUARANTEES FOR BANK CREDITS WITH INTEREST RATE SUBSIDY ENABLE SMES A FASTER, EASIER, BUT MAINLY CHEAPER OBTAINING OF BANK CREDITS FOR THE IMPLEMENTATION OF PROJECTS THAT PROVIDE A COMPETITIVE MARKET PENETRATION AND AN IMPROVED MARKET POSITION.

Enterprises that obtain a credit at one of the participating banks<sup>1</sup>, have the possibility of obtaining a guarantee in the framework of the three credit – guarantee lines, which include:

- the possibility to secure classic projects
- the possibility to secure technologically innovative projects
- the possibility to secure trade activities.

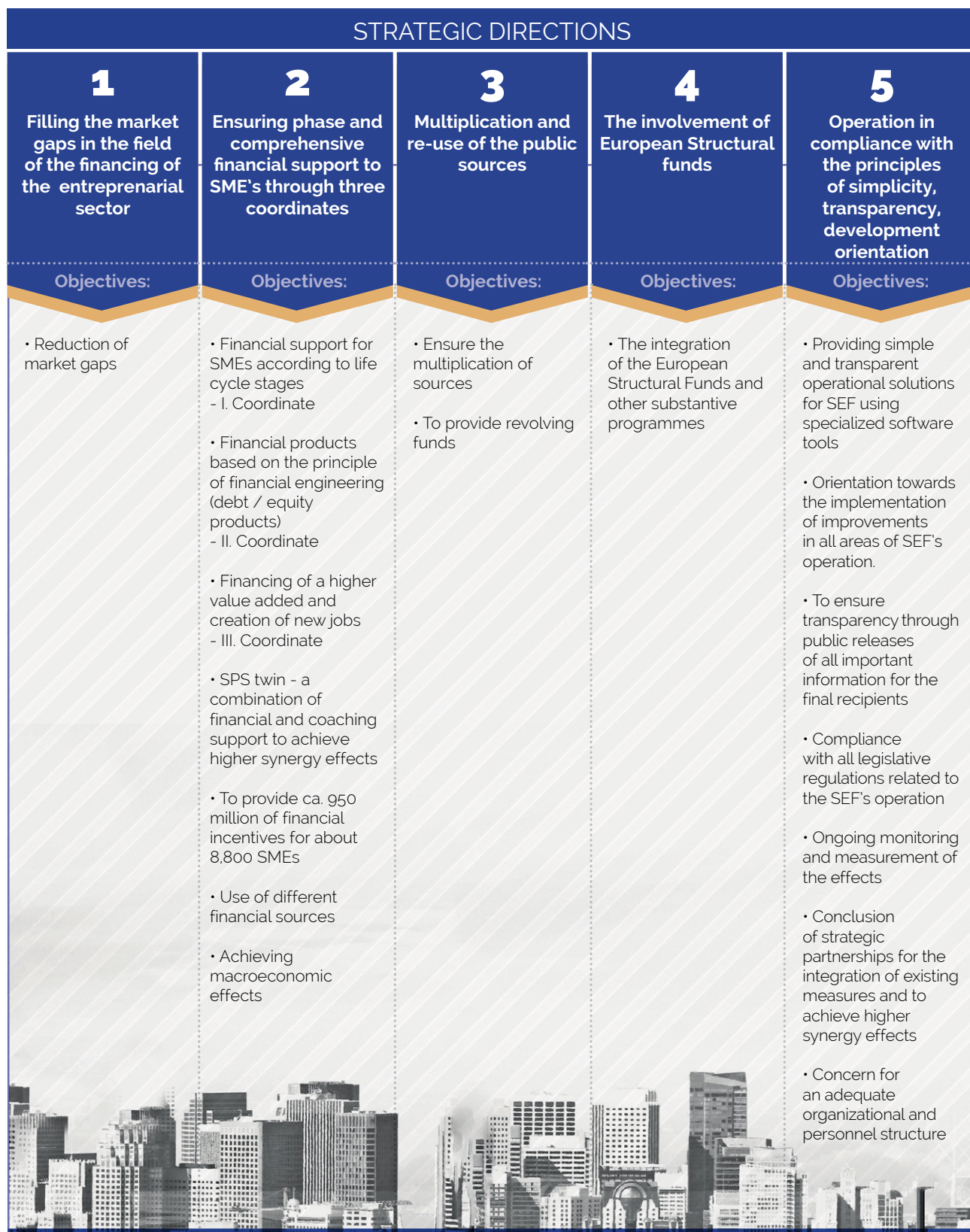
A credit, which is secured by SEFs guarantee within the P1 Plus, is more favourable for enterprises due to lower collateral requirements, lower interest rates, maturity of the credit and the possibility of a grace period for repayment of the credit as well as no extra costs for the approval of the guarantee.

A successful application of SEF for the acquisition of the counter-guarantee under the COSME - EU **The programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises** for the period 2014-2020, provides even more tendered quotas for the next three years within the framework of the guarantee product.

<sup>1</sup> List of participating banks, where enterprises can obtain credits and the guarantee, is available on SEFs website: [www.podjetniskisklad.si](http://www.podjetniskisklad.si).

# VISION FOR 2016-2020

Slovene Enterprise Fund is a specialized financial institution with effective financial incentives for micro, small and medium-sized enterprises in compliance with the world's best practices.



# VISION WITH STRATEGIC DIRECTIONS 2016-2020



## STRATEGIC DIRECTION 1:

Filling the market gaps in the field of financing of the entrepreneurial sector.

In order to achieve the strategic direction 1, SEF must follow the following objectives:

**OBJECTIVE 1** To reduce and fill the market gaps in the field of SME financing with favourable and market customized debt and equity financial resources.

## STRATEGIC DIRECTION 2:

Ensuring phased and comprehensive financial support to SMEs through three coordinates.

In order to achieve the strategic direction 2, SEF must follow the following objectives:

**OBJECTIVE 2** Financial support for SMEs - throughout the life cycle phases /first coordinate/

**OBJECTIVE 3** Financial products based on the principle of financial engineering (debt / equity products) / second coordinate/

**OBJECTIVE 4** Objectives of financing SMEs – financing of a higher value added and creation of new jobs / third coordinate/

**OBJECTIVE 5** »SEF twin«  
Combination of financial and substantial support to achieve higher synergy effects.



**OBJECTIVE 6** To provide ca. 950 million EUR of financial incentives for about 8,800 SMEs and generate approximately 2.2 billion EUR of investment, out of which:

- ca. 35% of planned financial incentives for the programme "Young enterprises" and
- ca. 65% of planned financial incentives for the programme »SME 5+«

**OBJECTIVE 7** Use of different financial resources

**OBJECTIVE 8** Achieving macroeconomic effects



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### STRATEGIC DIRECTION 3:

Multiplication and reuse of public sources.

**In order to achieve the strategic direction 3, SEF must follow the following objectives:**

**OBJECTIVE 9** Ensure the multiplication of sources. Combination of public and private financial sources enables a multiplier effect of sources.

**OBJECTIVE 10** Ensure the revolving of funds. Designing of various earmarked funds that operate on the principle of revolving and provide approximately 70% reversibility of invested funds.



### STRATEGIC DIRECTION 4:

Integration of European structural funds.

**In order to achieve the strategic direction 4, SEF must follow the following objectives:**

**OBJECTIVE 11** Integration of EU structural funds and other substantive measures.

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### STRATEGIC DIRECTION 5:

Operate in compliance with the principles of simplicity, transparency, development orientation.

**In order to achieve the strategic direction 5, SEF must follow the following objectives:**

**OBJECTIVE 12** Providing of simple and transparent solutions for the operation of SEF using specialized software tools in all SEF's business processes.

**OBJECTIVE 13** Orientation towards the implementation of improvements in all areas of SEF's operation.

**OBJECTIVE 14** To ensure transparency through public releases of all important information for the final recipients of SEFs financial products.

**OBJECTIVE 15** Compliance with all legislative regulations related to the SEF's operation.

**OBJECTIVE 16** Ongoing monitoring and measurement of the effects of final recipients of SEFs support.

**OBJECTIVE 17** Conclusion of strategic partnerships for the integration of existing measures and to achieve higher synergy effects.

**OBJECTIVE 18** Concern for an appropriate organizational and personnel structure.



# RESULTS AND EFFECTS OF SLOVENE ENTERPRISE FUND IN THE PERIOD OF 2007-2015

In the last 9 years the activities of SEF has significantly affected the positive indicators of small and medium-sized companies in Slovenia, and consequently the entire Slovenian economy. The Fund has in the period 2007-2015:

- supported **5100 projects** of small and medium size enterprises and
- granted **805 m EUR** of different favourable financial incentives

Table: Overview of supported enterprises according to the products

Financial line	Products	Nr. of supported projects	Amount of granted funds in m EUR
SPECIAL INCENTIVES	Start-up incentives	526	25,50
	Other special incentives	1000	168,90
EQUITY FINANCING	Seed capital	47	3,90
	Venture capital	29	29,04
CREDITS	Microcredits	671	16,02
GUARANTEES	Guarantees with interest rate subsidy	2.826	561,60

## Generated effects of SEF's supported enterprises:

• Saved jobs	84.020
• New jobs created	6.794
• New jobs created per enterprise	1,5
• Average value added increase per employee	14%

## Generated effects of SEF's supported young enterprises:

• Newly established enterprises	400
• Survival rate of newly established enterprises	87%
• New jobs created in young enterprises	1.624
• New jobs created / young enterprise	2
• Average value added increase per employee in young enterprises	14%

## Other effects of SEF:

• Almost 1,000 innovative projects
• 4 active venture capital companies in the public-private partnership
• Active start-up ecosystem (start-up schools, start-up mentors with appropriate references)
• around 25% of bank credits, which are secured by SEF's guarantee, is granted to young enterprises

## OTHER IMPORTANT DATA FOR 2015

### Major financial indicators

• Earmarked capital	58.06 million €
• Total assets	308.33 million € / Approx. 50% of the EU funds /2,78 m €
• Revenues	2.78 million €
• Expenses	2.28 million €

	Active portfolio	Number of active contracts in portfolio
<b>Active portfolio on 31.12.2015:</b>	<b>609 m EUR</b> (100%)	<b>4.788</b> (100%)
GUARANTEES	37%	35%
DEPOSITS used to implement guarantee schemes	43%	9%
INTEREST RATE SUBSIDIES in the guarantee scheme	7%	33%
CREDITS	4%	14%
SUBSIDIES	6%	8%
CAPITAL INVESTMENTS INTO VENTURE CAPITAL COMPANIES (VCC) CAPITAL	2%	>1%
INVESTMENTS INTO SMEs (SK200)	>1%	>1%
CONVERTIBLE LOANS	>1%	>1%



## BASIC INFORMATION

**Slovene Enterprise Fund**

**Headquarters:** Ulica kneza Koclja 22, Maribor, Slovenia

**Establishment:** 1992

**Legal status:** public-financial fund

**Director:** Maja Tomanič Vidovič, M.Sc

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# BUSINESS SERVICE

## How to get SEF's support?

### Simple

- Easy tender documentation
- Pre-prepared tools

### Quickly

- Website: [www.podjetniskisklad.si](http://www.podjetniskisklad.si)
- Official Gazettes

### Transparent

- E-news, e-current results
- E-best practices, press releases

### Forthright

- Financial incentives are considered state aid, therefore they are publicly published





SLOVENE ENTERPRISE FUND - SEF

## Slovene Enterprise Fund

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