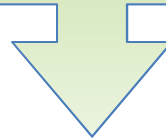




MV-VENTURE FINANCE HUNGARY CO. LTD. AND THE FINANCIAL INSTRUMENTS

JEREMIE PROGRAM JEREMIE FUND AND THE SWISS CONTRIBUTION

**JEREMIE PROGRAM
(JOINT EUROPEAN RESOURCES FOR MICRO TO MEDIUM
ENTERPRISES)**



**EU, financed/preferential financial Programs for market
insufficiency mitigation**

**Refinancing Programs
(New Széchenyi Combined
Microloan, New Széchenyi
Loan)**

**Former credit guarantee and
counter-guarantee Program**

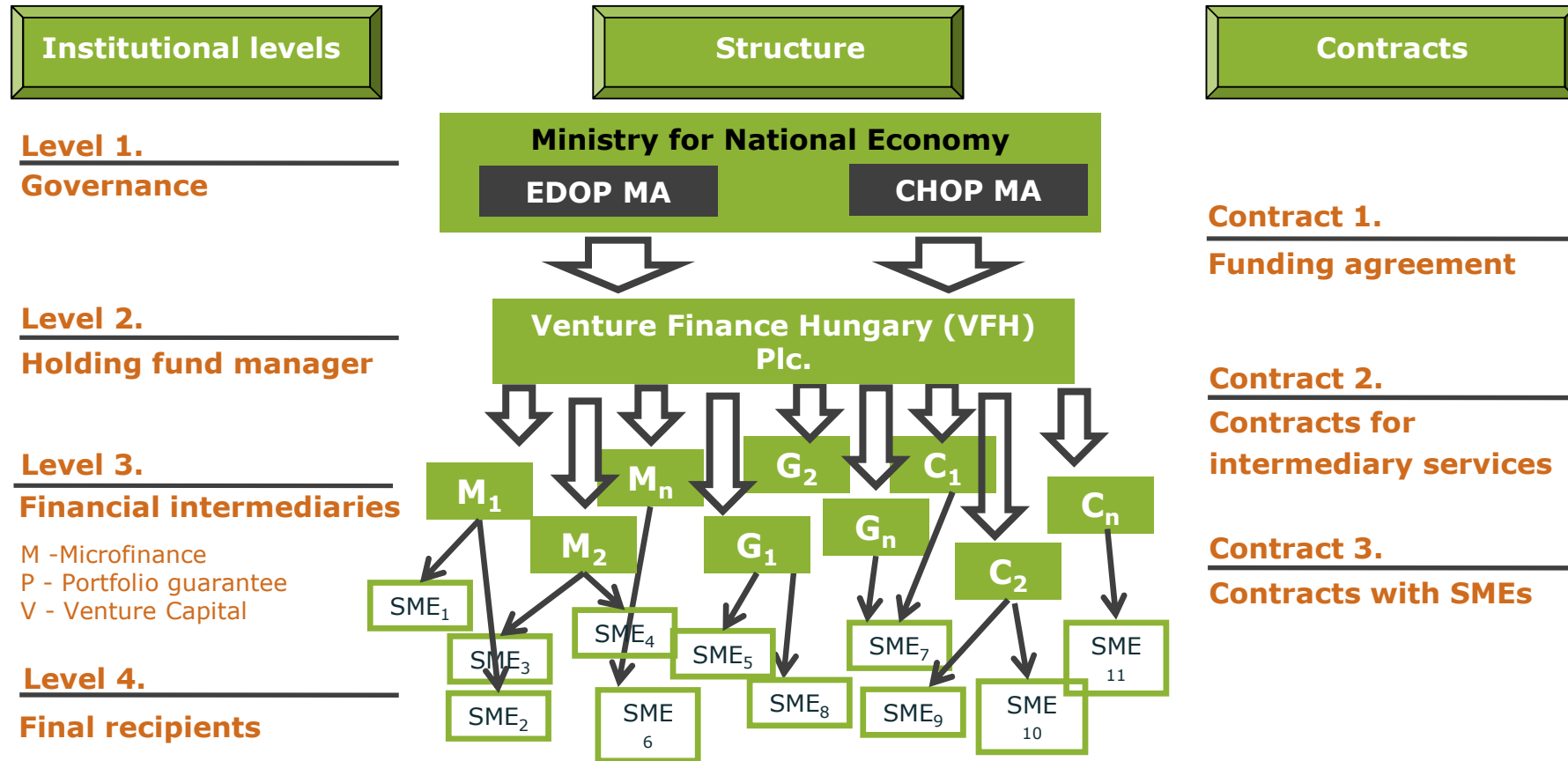
Venture Capital Programs

- **Available resources: limit above EUR 820 million**
- **Disbursing by intermediaries**
- **Basic type operation (re-rotating and re-distributable sources): EUR 170 million**



BEFEKTETÉS A JÖVŐBE

INSTITUTIONAL SET-UP OF THE HUNGARIAN JEREMIE-TYPE PROGRAMMES



GOALS OF JEREMIE PROGRAM IN HUNGARY

Repayable forms of assistance for SME's by improving the accessibility of:

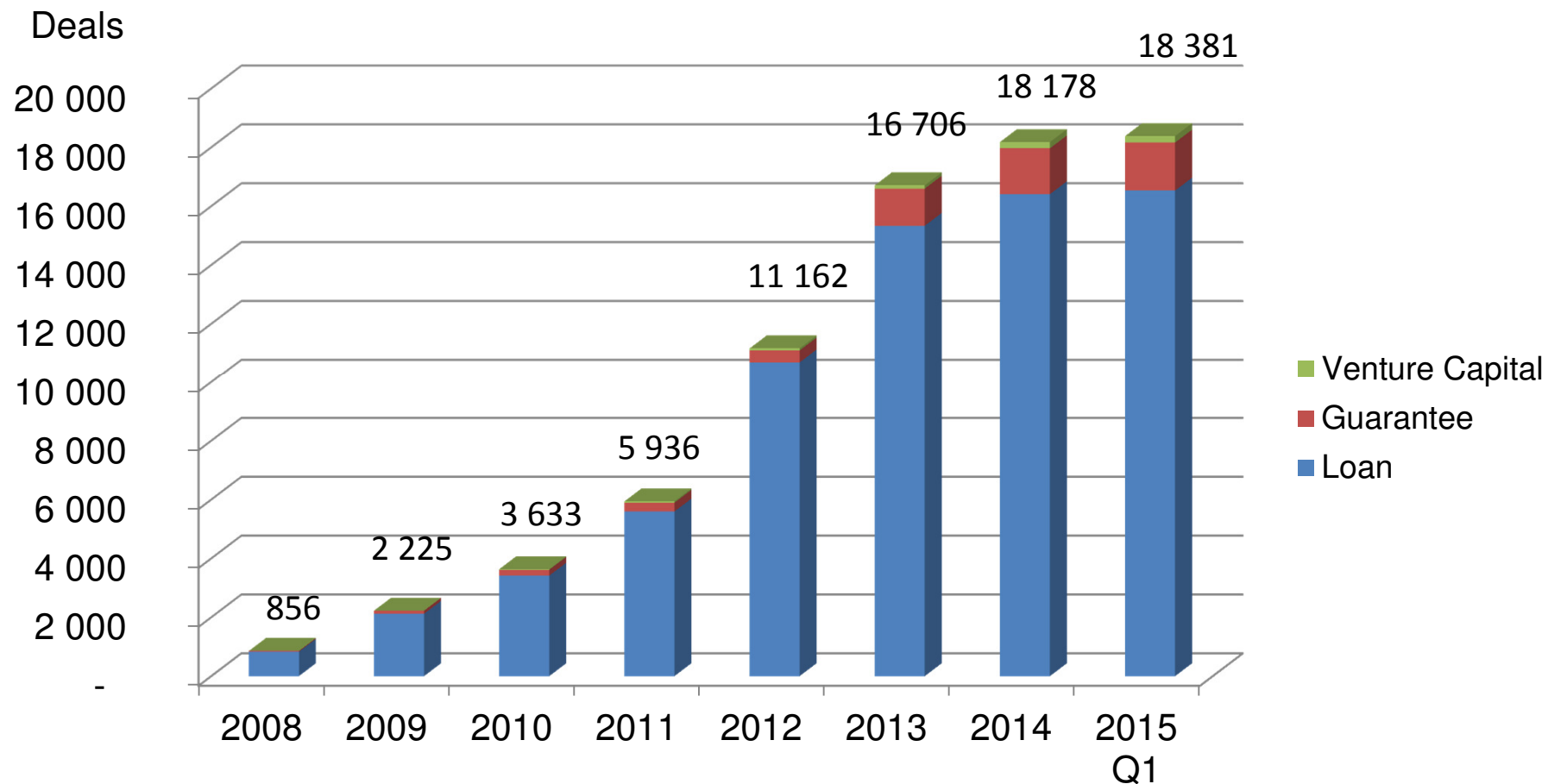
- ✓ **Credits:** to provide loans for companies that otherwise would not receive loans or not in adequate quantity
 - combined micro loan,
 - investment loan

- ✓ **Guarantees:** To draw in other sources in order to reach desired leverage effect
 - credit guarantee,
 - counter guarantee

- ✓ **Venture Capital:** To support innovative companies or companies that are able to show a rapid growth – that would not achieve such growth without assistance



NUMBER OF PLACEMENTS TO FINANCIAL RECIPIENTS (JEREMIE)



KEY LESSONS LEARNT

1. „BRIDGE-BUILDER” TASKS:

- understanding of need of beneficiaries and intermediaries (eg. cost/income efficiency)

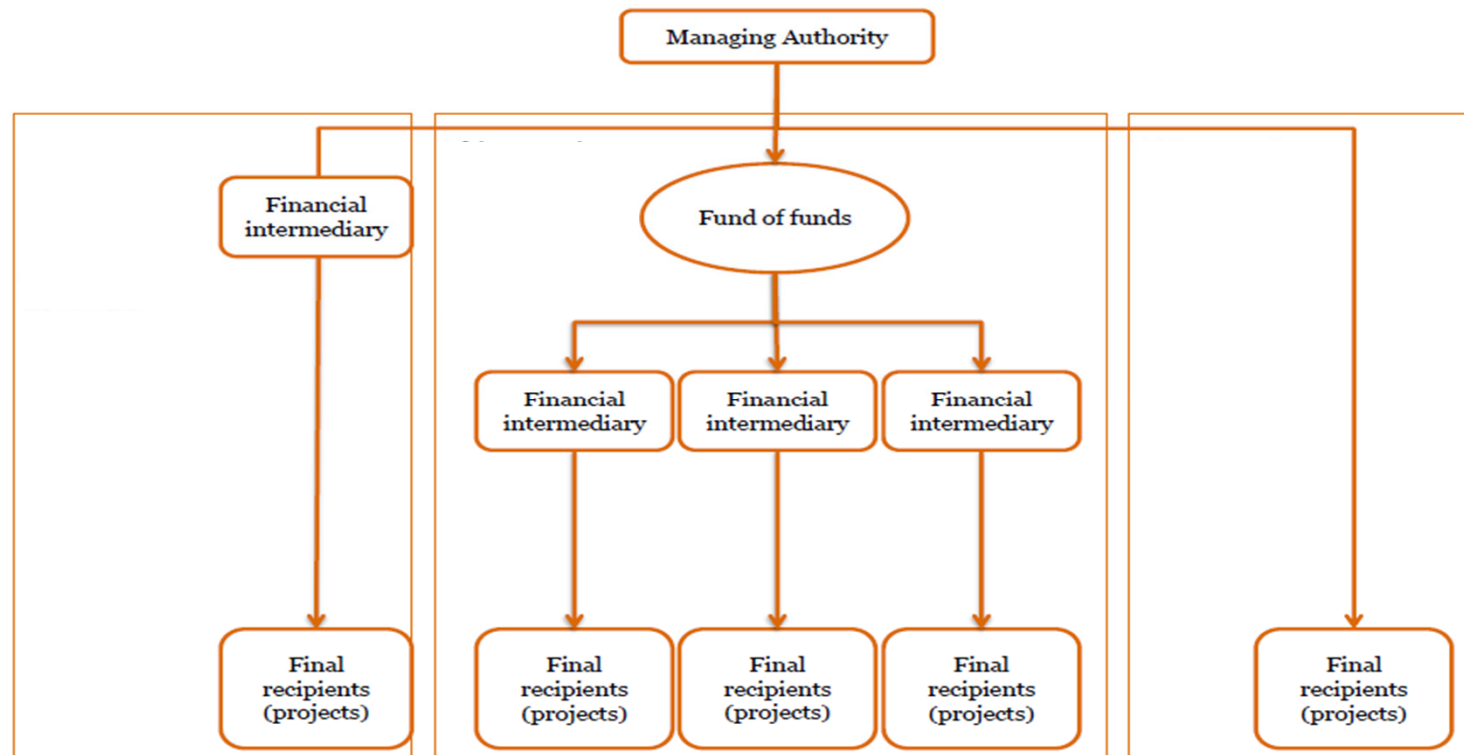
2. Importance of introducing developed programs (method of use, targets) eg. combined micro loan, venture capital

3. Focusing on using market methods eg. feedback (public consultation), simplified processes and products, strong communication

4. Strict and consistent monitoring, control



FINANCIAL INSTRUMENTS - FORMS OF IMPLEMENTATION



Forrás: PwC Ex-ante methodology



EDIOP INTERVENTION LOGIC

Priority Axis	Insufficiency	Measure	Output
SME	Missing entrepreneurial approach and readiness Outdated business infrastructure	Mentoring and incubation Capacity increase Networked economy	More competitive SMEs Increase in production and range of services
R&I	Low efficiency and weakness of the use of knowledge	Dynamization of innovative enterprises Facilitate networking	Strengthening the enterprise needs for R&D and corporate links lead to innovation
ICT	Lack of digital skills Low ICT affinity in SMEs Insufficient infrastructure	Competitive ICT sector Digital economy Broadband and NGA	ICT SMEs with export capacities Computerized processes New-generation networks Community access
Energy	Wasteful buildings and production processes	Resource efficiency	Sustainable environment
Employment	High inactivity Young people have difficulty finding employment Inflexible labour market	Promotion of finding employment Youth Guarantee Adaptability	Marketable labour force Labour force integration Flexible employment
Education	Little useful knowledge	Adult and vocational education	Qualified labour force
Turism	Low tourism spending	Creative tourism offer	Increased tourism spending
Financial Instruments	Capital shortage of SMEs Outdated household buildings	Improving access to financing Renewable and efficient household energy	More SME investments Energy efficient building portfolio



PERFORMANCE FRAMEWORK INDICATORS

Priority	Indicator	2018 milestone	2023 objective
1. SME	Number of enterprises receiving support	2,500	12,490
2. R&D	Number of enterprises receiving support	760	3,800
3. ICT	Ratio of households having possibility to access to at least 30 Mbps broadband infrastructure	550,000	1,000,000
4. Energy	Estimated annual decrease of greenhouse gas emission (CO2 equivalent in tons)	51,381.46	342,543.11
5. Employment	Individuals participating in programmes implemented by MNE	45,000	142,000
	Under the auspices of the sub-programme financed from YEI, NEET applicants under 25 (unemployed, not attending regular day courses of educational or vocational institutions) (individuals)	30,000	30,000
	In connection with Youth Guarantee programme implemented by the Ministry for National Economy, NEET applicants under 25 (unemployed, not attending regular day courses of educational or vocational institutions)	30,000	127,000
6. Competitive workforce	Individuals participating in the training	135,000	450,000
7. Tourism	Increase of the expected number of visits to supported sites qualifying as natural and cultural heritage or sight	352,000	1,660,000
8. Financial instruments	Number of enterprises receiving support	3,500	23,250



THANK YOU FOR YOUR ATTENTION!

MV-Venture Finance Hungary Co. Ltd.
www.mvzrt.hu

