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Based on desk research done by June 2017

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1 Introduction

The following document represents Deliverable 3.1.1 Regional Market Analysis on Crowdfunding. It includes information on identification, description and evaluation on relevance of all crowdfunding activities and relevant stakeholders in each partner region. The given information is completed by success stories and lessons learnt therefrom regarding the status quo of crowdfunding market deployment at local level.

2 Crowdfunding activities and relevant stakeholders

This chapter includes information based on a desk research conducted by June 2017. All partners received a common template including relevant stakeholders such as Crowdfunding (CF) platforms, finance and public actors as well as intermediaries.

CF platform: Crowdfunding platforms active in the region were identified. Each partner analysed the CF model the platform implements (donation-, reward-, loan-, equity-based). Further information on geographical coverage of campaigns, target groups, successful campaigns, amount of investment, quality standards as well as reference projects were included.

Finance stakeholders: This table includes relevant financing institutes, business angels & investment companies and public authorities involved in innovation finance.

Public and intermediaries: This table includes funding institutes, incubators & accelerators, business support agencies and chambers / associations and other intermediary organisations within the regional innovation system.

CF platforms

Basic information				Crowdfunding models				Additional information					
Name of the platform	Homepage	Head office	Founding year	Donation-based	Reward-based	Loan-based	Equity-based	Geographical coverage of CF campaigns	Topics / Target groups	Total number of successful CF campaigns on the platform up to 4/2017	Total CF investments on the platform up to 4/2017	Average investment per CF campaign	Information on quality standards
Cleantech Bulgaria	http://cleantech.bg/	Sofia	2011		X			BG, HR, BA, EL, RO, RS, MD, ME	Green Business	2	€ 120.000	€ 15.000	
Eleven	http://www.11.me/	Sofia	2012			X	X	BG, HR, BA, EL, RO, RS, MD, ME	Gaming, Sports / Travel, SaaS / Tools, Clean Tech, Med Tech, Food and Health Sales / CRM, Marketing / Analytics, Entertainment, HR and Legal, eCommerce, Dev Tools, Hardware / Drones, Education, Social / Media, InsureTech	5	€10,985,023.66	€94,698.48	
LAUNCHub Ventures	https://www.launchub.vg/	Sofia	2012			X	X	BG, HR, BA, EL, RO, RS, MD, ME	Information Technology, digital, development tools, educational technology, healthtech, B2B, B2C, e-commerce, marketplaces, entertainment, cloud infrastructure, enterprise software, consumer internet, mobile, and SaaS	4	9 000 000 €	200 000 €	
Kickstarter	www.kickstarter.com	Brooklyn (USA)	2009		X			global	creative, culture, art	120 967	2,9 billion dollar	*	no
Indiegogo	www.indiegogo.com	San Francisco (USA)	2008	X	X		X	global	creative	*	over 1 billion dollar	*	no

Finance stakeholders

Name		Homepage	Head office	Short description
Financing institutes	UBB	https://www.ubb.bg/	BG	Established in 1992 through the merger of 22 Bulgarian regional commercial banks, United Bulgarian Bank is the first and most comprehensive consolidation project in the Bulgarian banking sector.
	DSK bank	https://dskbank.bg/	BG	The biggest bank in Bulgaria.
	CKB bank	http://www.ccbank.bg/	BG	As a universal commercial bank CCB Plc offers an array of financial products and services, which correspond to the competitive requirements of the dynamically changing market environment. The Bank constantly strives to deploy the spectrum of financial intermediation and works hard to create new and develop the known products and services.

Public and intermediaries

Name	Homepage	Head office	Short description
Sofia Tech Park Incubators & accelerators	http://sofiatech.bg/en/	BG	The main goal of the company is to boost the development of research, innovation and technological capabilities of Bulgaria through the implementation of various projects. For this purpose, "Sofia Tech Park" will partner with private and public institutions in order to create and manage a unique environment for innovation, build and implement educational programs and provide support to the commercialization of new technologies, products and services.
Industrial and Logistik Park - Burgas	http://www.industrialpark-burgas.bg/bg	BG	We would like to bring to your attention our project "Industrial and logistic park - Burgas". We offer to potential investors industrial terrains with total area of 240 decares. The properties are of different sizes, from 2 to 40 decares, and 7 companies have already bought terrains.
Varna business agency Innovation / Business support agencies	http://www.vba.bg/	BG	„Business Agency” Association, established in 2000, is one of the leading non-profit organizations in the North-Eastern region in Bulgaria with head office in Varna and branches in Dobrich, Sofia, Burgas and Razlog. The Association operates in three separate offices (90, 90, 60 square meters) in three directions - "Information center for immigrants", Center for Social Rehabilitation and Integration "Mission to Change", Center "Business Agency", located respectively at number 11, 13 and 13A of the street "Presbyter Kozma", Varna, fully equipped with necessary furniture for 12 workplaces, 12 computers, 2 servers, copiers, scanners. The offices are near Varna Regional Administration and the District Police Directorate for best serving of the needs of its main target groups.
BUSINESS INCUBATOR - VARNA Chambers / Associations /	http://en.biv.rapiv.org/	BG	The Regional Agency for Entrepreneurship and Innovations – Varna (RAPIV) is a non-governmental utilitarian non-profit organization, carrying out its activities in public benefit, for stimulating regional economy through the development of entrepreneurship and innovations. According European Standards, the Agency-members represent 4 types of organizations: administrative, academic, non-governmental and business.
Varna Chamber of Commerce and Industry Chambers / Associations /	http://www.vcci.bg/	BG	The Varna Chamber of Commerce and Industry is non-governmental, public organization, registered according to the Law for the legal entities of non-economic aim, in which, voluntarily could participate as members Bulgarian and foreign natural persons and legal entities that perform economic activities or are commercial representatives on the territory of the Varna region in conformity with the Bulgarian legislation.

3 Status quo of crowdfunding activities and networks

CF actors (platforms, initiatives, intermediaries etc.)

The alternative financing landscape of Bulgaria is made up by an emerging network of alternative investment organisations, some of them offering alternative finance for innovative start-ups and project owners, others providing pre-seed and seed capital investment.

Reward-based crowdfunding of Bulgarian projects is mainly focused on pre-financing of arts productions, software and scientific research. The most common international CF platforms used are Kickstarter and Indiegogo. Acc. to statista.com the transaction value in the crowdfunding sector amounted approx. 760k € in 2017.

A dedicated crowdfunding platform at national level has recently emerged in the market segment of real estate investment crowdfunding.

<https://www.propertyclub.eu/#/> Property Club is the first real estate crowdfunding platform in South-Eastern Europe. The company seat and operations are in Sofia, Bulgaria. Property Club was established in 2015 as the pioneer in crowdfunding in the region, delivering exclusive real estate investment opportunities to the public.

<https://bithope.org/> The BitHope Foundation is the first Bulgarian non-governmental organization (NGO) in the public benefit that uses ONLY cryptocurrency to accumulate funds for the campaigns that are hosted on the BitHope.org platform. What the Foundation and the platform do is actually convert bitcoins into tangible good for the people, animals, and the environment. With the help of campaign backers established NGOs are supported in their efforts to promote their causes internationally and accumulate additional funding for their charitable initiatives.

<https://www.chivas.com/bg-bg/the-venture> In October 2014, Chivas Regal launched a global search to find and support the world's most promising social entrepreneurs. Chivas The Venture seeks to find and connect innovative thinkers. Chivas is focused on supporting high potential social businesses to accelerate and scale their impact.

<http://www.11.me> Elevant is a fund manager based in Sofia, focusing on projects with high growth potential in Central and Eastern Europe. Elevant has invested in more than 100 companies since 2012, with teams from 38 countries around the world. Most of our projects are B2B software and SaaS, hardware products, and marketplace. Normally, Elevant provides staged funding against a minority stake in capital.

<http://www.launchub.vc/> LAUNCHub Ventures is a seed stage Venture Capital firm based in Sofia investing in early stage startups in Bulgaria and the wider Southeastern Europe

<http://www.interreg-danube.eu/approved-projects/crowdstream>

region. Founded in 2012, the first LAUNCHub fund of 9M EUR, was actively investing until the end of 2015 and has been deployed in pre-seed tickets up to 200K EUR. The former fund backed 62 startups which have attracted more than 20M EUR in follow-up funding. The second 18M EUR LAUNCHub Ventures fund, announced in December 2016 expands into the seed space with investments in the range of 300K to 700K EUR, expandable up to 2M EUR per company.

<http://cleantech.bg/> Cleantech Bulgaria supports sustainable development, introduction and integration of clean technologies and innovative products, services and solutions in the businesses. The organization is active in different social and economic fields, including business, education, science, technology, innovation and entrepreneurship. The Climate-KIC Accelerator is Europe's largest cleantech accelerator for early stage startups. It is focused upon getting startups ready for their first investors and customers and helps them scale their business. The accelerator offers workshops, mentors, coaches and pitch training and also financial support (from €15,000 to €25,000 for stage 2) to further develop your business.

<http://www.green-innovations.bg/> The project is part of the Green Industry Innovation Program in Bulgaria, which is funded by the Norwegian Financial Mechanism 2009-2014 and aims to increase the competitiveness of "green" enterprises, including "greening" existing productions, "green" innovations and "Green" entrepreneurship. CEED in partnership with Innovation Norway the programme organizes trainings, idea generation workshops, Green demo day and travel to Norway for exchange of experience.

4 Success stories

Each CrowdStream partner region has tried to identify some typical examples of successful crowdfunding campaigns that reflect the status of development of alternative finance mechanisms at local level, as indicated below:

Box 1

Sea Harmony

- **Company:** “Seaharmony” Ltd
- **CF platform used:** Chivas The Venture
- **Topic:** Cleaning sea water
- **Amount of money raised:** Up to now 6 055.88 USD



Short description

Sea Harmony is developing vertical reef mussel-farming technology. Our unique farms are made from durable materials that do not emit pollutants into the water. They can be placed in the open sea, so they do not disturb boat traffic, and this, along with their vertical orientation, allows Sea Harmony’s method of farming to yield maximum harvest. Most importantly, they bring marine life back to the “Dead” zones, restoring the food chain and all of its participants: mussels, shrimps, and fish.

Recent influence

Buildup 4 mussels pillars in Black sea.

Box 2

TICKEY

- **Company:** Tickey Mobile Solutions Ltd
- **CF platform used:** Elevant, Seed Round
- **Topic:** the main purpose to make the public transportation more convenient and attractive, so that more people will prefer to use it instead of their cars.
- **Amount of money raised:** USD 1 230 000



Short description

Developer of an urban transport ticketing application. The company provides an application that allows users to pay for their tickets while traveling by a bus, tram, trolley and metro. It connects the passengers with the municipalities and public transport authorities.

Recent influence

The system is currently working in Sofia (subway stations Serdika, Sofia University, Sofia Business Park, NDK, Vitosha, Lyulin, Konstantin Velichkov, Central Railway Station) and Bourgas (trolleybuses T1 and T2).

5 Lessons learnt

The stakeholder mapping results (see sections 2 and 3) together with the analysis of local good practice examples of successful crowdfunding campaigns give a first picture of the achievements and challenges and market readiness for alternative finance mechanisms in the project partner region:

- Low entrepreneurial and innovative culture and impact of brain drain effects is offset by improvement of entrepreneurial culture in the younger generation
- Low tendency for SMEs to join the innovation network and need for capacity building about business planning and business financing in this target groups
- Lack of awareness of and access to alternative finance