

 **MFG INVEST**

The logo features a stylized square icon on the left, divided into four quadrants by a diagonal line. The top-left and bottom-right quadrants are dark grey, while the top-right and bottom-left quadrants are red. To the right of this icon, the text 'MFG INVEST' is displayed in a bold, sans-serif font. 'MFG' is in dark grey, and 'INVEST' is in red.

**Q3 2023**



# Portfolio





We continue to observe a deteriorating macroeconomic, financial, and political situation. In such conditions, many businesses worsen, and some even cease operating. Others adapt, regroup, and even emerge stronger than before. And some of the best businesses are born or thrive during times of crisis. Because overcoming any crisis requires change - in technology, in thinking, in daily life. At MFG Invest, we believe that entrepreneurs carry this change within themselves. Since the beginning of the year, we have made efforts for even more active collaboration with the entrepreneurial environment, with our team actively participating in various events organized by partner organisations.

In the third quarter of 2023, we made a subsequent investment of one hundred thousand euros in Eleven Fund III. MFG Invest has committed to an investment of one million euros in Eleven Fund III, and five hundred thousand euros have been contributed so far.

As of 30th September 2023, we decided to fully impair three of the made investments in the companies Log Sentinel B.V, Settle group AS, and POP Greece. The impairment of the investment in Log Sentinel B.V. has low significance in the company's assets as the investment was nearly entirely impaired almost a year ago, immediately before the listing of MFG Invest shares on the BEAM market. Regarding the other two companies, we do not exclude the possibility of a return on investment, but as we do not expect this to happen within the next three years, we deemed it necessary to impair them..

At the end of September, there was an increase in capital from external investors in eBag, which significantly raised the company's valuation, especially our investment in it.

MFG Invest's participation in Ondo Solutions Ltd decreases from 3.43% to 3.26% due to the company's capital increase from investors. The increase is part of the company's recent funding round, which was carried out in several stages.

At Forge Interactive Ltd (Star Forge), there was also an increase in capital as Vitosha Venture Partners made its investment, which is part of the latest round of funding, in which MFG Invest also participated. MFG Invest's participation decreases from 8.7% to 8.33%.

We've been working on the realisation of two new investments, which were concluded after the end of the reporting period, hence not reflected in the financial data. The first investment is in the German company Tapline UG, which provides a platform for accessible financing for fast-growing companies operating with a 'software as a service' model. The second is in the Bulgarian company Icanpreneur, developing software that enhances the development of new businesses and their products.

# Summary

# Board of Directors



Stanimir Vassilev



Nedelcho Spassov



Petar Damyanov



# THE ROAD SO FAR



# Balance Sheet

	MFG Invest Balance as of 30/09/2023	MFG Invest Balance as of 30/06/2023	MFG Invest Balance as of 31/12/2022
Assets	"000 EUR	"000 EUR	"000 EUR
Property, Plant and Equipment	5	6	6
Investments in Subsidiaries	-	-	-
Portfolio Investments	23 786	22 932	21 398
Convertible Loans and Interest	-	-	-
Trade Receivables	-	1	75
Cash and cash equivalents	257	363	1 731
<b>Total Assets</b>	<b>24 048</b>	<b>23 301</b>	<b>23 210</b>
Liabilities			
Borrowings	-	-	-
Trade obligations	-	1	-
Accounts payable to employees	-	-	-
Tax Obligations	-	-	-
Deferred Tax	1 606	1 606	1 606
<b>Total Liabilities</b>	<b>1 606</b>	<b>1 607</b>	<b>1 606</b>
Shareholders Equity	5 519	5 519	5 519
Premium Reserves	1 454	1 454	1 454
Financial Result	15 468	14 720	14 630
<b>Total Equity</b>	<b>22 442</b>	<b>21 694</b>	<b>21 604</b>
<b>Total Liabilities and Equity</b>	<b>24 048</b>	<b>23 301</b>	<b>23 210</b>



# Income Statement

	MFG Invest Income Statement as 30/09/2023	MFG Invest Income Statement as 30/06/2023	MFG Invest Income Statement as 31/12/2022
	"000 EUR	"000 EUR	"000 EUR
Change in Fair Value	910	155	6 379
Income from Sale	-	-	-
Net Sale	910	155	6 379
Interest and Similar Income	10	10	9
Interest and Similar Expense	-	-	(188)
Net Interest Income	10	10	(178)
Other Financial Income/Expense (net)	(1)	(1)	(3)
Book Value of Sold Investments	-	-	-
Personnel Expenses	-	-	(111)
Administrative Expenses	(82)	(77)	(56)
Profit before Tax	836	88	6 030
Corporate Tax	-	-	(603)
Net Profit for the Period	836	88	5 427



# Portfolio

Company	Date of first investment	Ownership	MFGI Commitment EUR	MFGI Invested EUR	MFGI Fair Value EUR, discounted	Company Fair Value EUR	ROI	Valuation Method
e-Bag	2019	11,945%	606 630	606 630	4 563 729	42 451 317	7,52	Last Round Valuation
LogSentinel	2019	1,66%	84 772	84 772	-	-	-	-
Payhawk	2019	1,84%	330 446	330 446	14 904 000	900 000 000	45,10	Last Round Valuation
Tiger Tehnology	2019	8,32%	1 380 124	1 380 124	1 248 000	15 000 000	0,90	Last Round Valuation
Eleven Capital	2020	0,62%	51 129	51 129	144 458	23 299 701	2,83	Stock Exchange 31-09-2023
Auka Norway (Settle Group)	2020	1,34%	500 246	500 246	-	-	-	-
Settle Bulgaria	2020	60,00%	901 919	901 919	-	-	-	-
Boleron	2020	19,01%	550 000	550 000	1 146 303	6 700 000	2,08	Last Round Valuation
Eleven FUND III	2021	1,66%	1 000 000	500 000	485 600	29 253 000	0,97	Net Asset Value
Koa Tehnology	2022	1,83%	197 485	197 485	197 485	12 074 000	1,00	Last Round Valuation
POP Greece ***	2022	1,19%	250 000	250 000	-	-	-	-
Vedamo	2022	3,46%	201 004	201 004	201 004	5 809 360	1,00	Last Round Valuation
Ondo	2022	3,26%	150 400	185 910	195 605	5 702 760	1,24	Last Round Valuation
Hydrogenera	2022	0,90%	109 895	109 895	109 895	12 210 560	1,00	Last Round Valuation
Findmecure	2023	2,09%	249 997	250 000	225 720	10 800 000	0,90	Last Round Valuation
NativeSpaces	2023	3,76%	250 000	250 200	225 600	6 000 000	0,90	Last Round Valuation
StarForge	2023	8,33%	100 000	100 000	99 960	1 200 000	1,00	Last Round Valuation
Canopy**	2023	0,25%	47 601	47 601	47 775	19 040 510	1,00	Last Round Valuation
<b>Total</b>	-	-	<b>6 961 631</b>	<b>6 461 851</b>	<b>23 785 438</b>	<b>1 140 717 457</b>	<b>3,75</b>	-

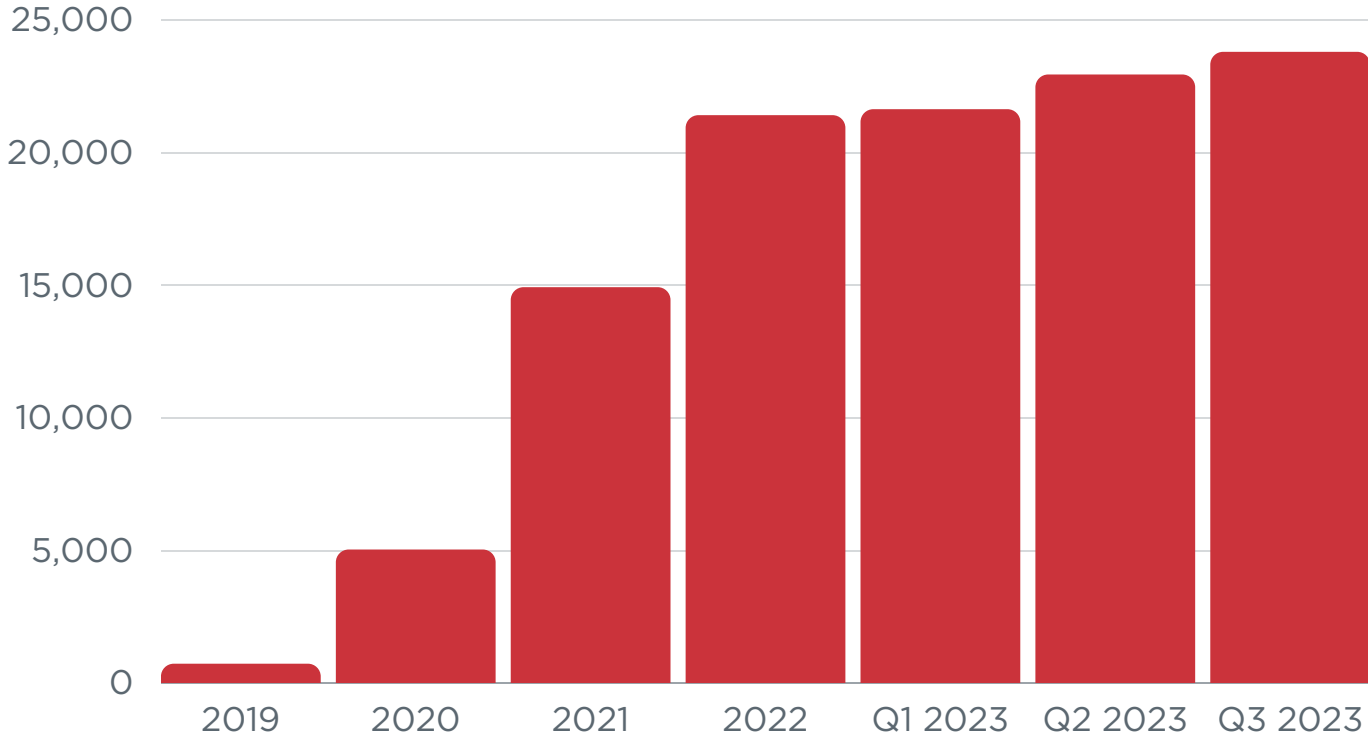
\*\* The percentage of participation in the noted investments is approximate as the capital increase procedure has not concluded yet.

\*\*\* A company restructuring is forthcoming, including a reallocation of the participation percentage, in line with the plans for developing a new business. We anticipate the stated percentage to change.



# Portfolio

	2019	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023
Fair Value "000 EUR	712,74	5 018,84	14 911,32	21 398,08	21 623,27	22 932.05	23 786
Growth vs. 2019	1	7,04	20,92	30,02	30,02	32,17	33,37



# Tiger Technology

Tiger Technology designs and implements software products and solutions for processing large data accessible across multiple machines. The company has successfully deployed its solutions in the field of video surveillance, with ongoing projects in large facilities globally (airports, pharmaceutical factories, public sector, etc.), as well as in the field of digital pathology in partnership with Philips and Microsoft.

Having earned trust from giants like AWS, Microsoft, IBM, Wasabi, Seagate, Philips, the company is currently working on strengthening these strategically significant partnerships. The markets in which the company has seen substantial development are the USA, Western Europe, and the Middle East.



During the second quarter of 2023, our investment in the company reached 1.38 million euro. During the same period, Tiger Bridge was launched in the Microsoft Azure store. A key partnership was established, aligning sales with video software from Milestone Systems, a company with a 25-year history, a 200 million euro annual turnover, and double-digit growth in recent years.

Tiger's revenues for the first nine months amount to 1.45 million euro, showing a growth of 21% year-on-year. The team secured 47% more partnerships during this period. Deals currently in progress are valued at 7.3 million euros.

Notable clients acquired during the third quarter include BorgWarner, Monaco Telecom, Gulf Bank of Kuwait, LGT Bank Liechtenstein, and The Trump Organization. Tiger was awarded the "Milestone Technology Partner of the Year 2023 for the Middle East".

The team expects to finalize additional deals in the fourth quarter, which have been in progress since the beginning of the year.





eBag is an online supermarket that dominates the Bulgarian market, holding 70% of the market share.

In 2020, due to the pandemic and restrictive measures, the demand for the service significantly increased for several months. That same year, a strategic investor, the Czech company Rohlik Group, invested in eBag, reaching a valuation of over 1 billion euros by 2021.

In 2021, eBag generated a revenue of 44 million BGN. By 2022, its revenue surged to 60 million BGN, marking a remarkable 40% growth. Throughout 2022, eBag received new investments, valuing the company at 29 million euros.

In 2023, the company set two primary goals: optimizing and reorganizing internal processes, including the construction of a new, more modern warehouse, and expanding operations to new regions outside of Sofia.

In the first quarter of 2023, the company saw a 10% growth compared to the previous year, with a revenue of 18.8 million BGN. The second quarter saw an approximate 40% increase in revenue. Overall, in the initial six months of 2023, the company escalated its revenue by 27% compared to the same period in the previous year.

In the third quarter, eBag achieved nearly a 43% revenue increase compared to the same period in 2022, marking its third consecutive profitable quarter. Simultaneously, the team successfully improved the speed of the website and the application, enhancing the overall customer experience.





# LogSentinel

The company developed a software product (SIEM) that serves the information security of an organization

The company failed to develop its business and establish the product in the market, leading to the decision to cease operations in August. There are pending administrative procedures for transferring current clients to a new provider and liquidating the registered company in the Netherlands. In its report as of September 30, 2023, MFG Invest completely devalues its investment in Log Sentinel. The value had already been reduced to slightly over six thousand euro before MFG Invest was listed on the BEAM market near the end of 2022.

The loss from this investment, for the most part, has already been reflected in the annual financial report of MFG Invest for 2022.





# Payhawk

Payhawk develops software for expense management, enabling companies to enhance their processes and gain greater control and transparency over their expenses. It is a global company with offices in New York, London, Amsterdam, Barcelona, Paris, Berlin, and Sofia.

In early 2022, Payhawk reached a valuation of 1 billion dollars, becoming the first Bulgarian unicorn.

During 2022, Payhawk managed to quadruple its revenue compared to the previous year, and in 2023, it aims to achieve the same growth again

In the third quarter, Payhawk obtained an electronic money institution license from the Bank of Lithuania and established its office in Vilnius. It achieved integration with Oracle NetSuite, one of the most widely used business management platforms, utilised by over 37,000 companies. Payhawk attained the status of "Built for NetSuite."

The company introduced a new product to the market, Payhawk Green - an innovative method for tracking and reporting carbon footprint through expenses. This functionality was developed by the team in response to the increasing demands of global companies.

Simultaneously, Payhawk received numerous awards from G2, Capterra, and the Fintech Future Paytech Awards and implemented various product improvements.



**payhawk**

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# Eleven

Eleven Capital is a venture capital investor with a focus on entrepreneurs from Bulgaria and the region.

The company's team is one of the pioneers in early-stage investing in Eastern Europe and consists of successful entrepreneurs and professionals with extensive experience in equity investments.

The portfolio consists of 34 core companies, including 11 key investments with high potential, many of which are profitable and/or growing rapidly.

Some of the companies that Eleven has invested in so far include Dronamics, Businessmap, Coursedot, A4E, and others.



eleven

 **MFGINVEST**



# Eleven Fund III

Eleven Fund III is the third fund of the venture capital company Eleven Ventures.

The fund has a capital of 60 million euro and is registered in the Netherlands. The fund provides pre-seed and seed investments in companies from Southeastern Europe.

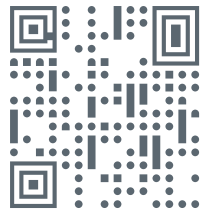
In 2022, the fund invested a total of 15.7 million euro in 17 companies, including Almacena, BeMe AI, Bibe Coffee, Biopix, CoLumbo, Flow, Frisbo, Pop, and others.

During the third quarter, we invested 100 000 euro in Eleven Fund III as part of our commitment to the fund.



**eleven**

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# Settle Group

The Norwegian company holds an e-money license to operate throughout all EEA states. The company has developed a comprehensive financial services platform and launched a consumer and business facing wallet service named Settle in 27 EEA markets.

After reaching 200.000 consumers and 1000+ business clients, it was clear that further commercial traction and eventually profitability for the wallet requires significant investments. A strategic decision was made to merge or sell the company to a player who preferably has both financial muscle and distribution power to maximize the value of the license, technology and competence that resides in the company.

A full sale of Settle Group, subject to regulatory approval, was announced in September 2023, with deferred settlement to shareholders of Settle Group in the form of cash and shares in the acquiring entity.

Considering the situation, MFG Invest has decided to write off its investment in Settle Group as of September 30, 2023, with a value of 335,000 euros. We believe that the purchasing company has the potential to become a global corporation, and we anticipate that the value of its shares will increase. However, we do not expect this to happen within the next three years.







# Boleron

Boleron is a software platform that facilitates the purchase and management of insurance products via mobile phones, catering to end-users.

The company's cutting-edge platform is built upon novel technologies, utilising big data, artificial intelligence, and machine vision, allowing customers to purchase and manage their insurance policies through their mobile phones 24/7.

9 000 policies were issued for the first nine months of 2023, or over 3M BGN, representing a 96% increase compared to the previous year.

In the third quarter of 2023, the team's dedicated work led to an exceptional enhancement of the product line. Boleron spearheaded the insurance digitalisation efforts by releasing the very first online life insurance in Bulgaria, venturing into a new business domain. Concurrently, it introduced an online health insurance plan covering treatment for severe illnesses abroad, now offering one of Bulgaria's top-tier health insurance services. Furthermore, the company tapped into a niche market of over 1 billion BGN annually by launching an online corporate insurance policy.

Direct sales for this period saw a noteworthy 49% increase compared to the same period in the previous year.

In November, the company will initiate sales of online insurance in partnership with Vivacom





# Koa Technology

KOA is a company registered in the United States, which operates in Kenya through its subsidiary. KOA's product is a financial application that allows users to open a deposit account.

In 2022, the company reached around 50,000 users, with 14,000 of them opening savings accounts.

In early 2023, the company introduced its first financial products directed toward business clients, with a focus on small businesses as the target segment under the Lotus brand.

During the second quarter of 2023, it succeeded in acquiring 74 companies, with transactions totaling 3.1 million dollars. Additionally, the company launched a forex service, expected to become one of the primary revenue sources.

By the third quarter, the business clientele reached 136, with two among them being industry leaders. Lotus now offers integration with QuickBooks. The company's current data indicates growth not only in the number of clients but also in the number of transactions performed by them.

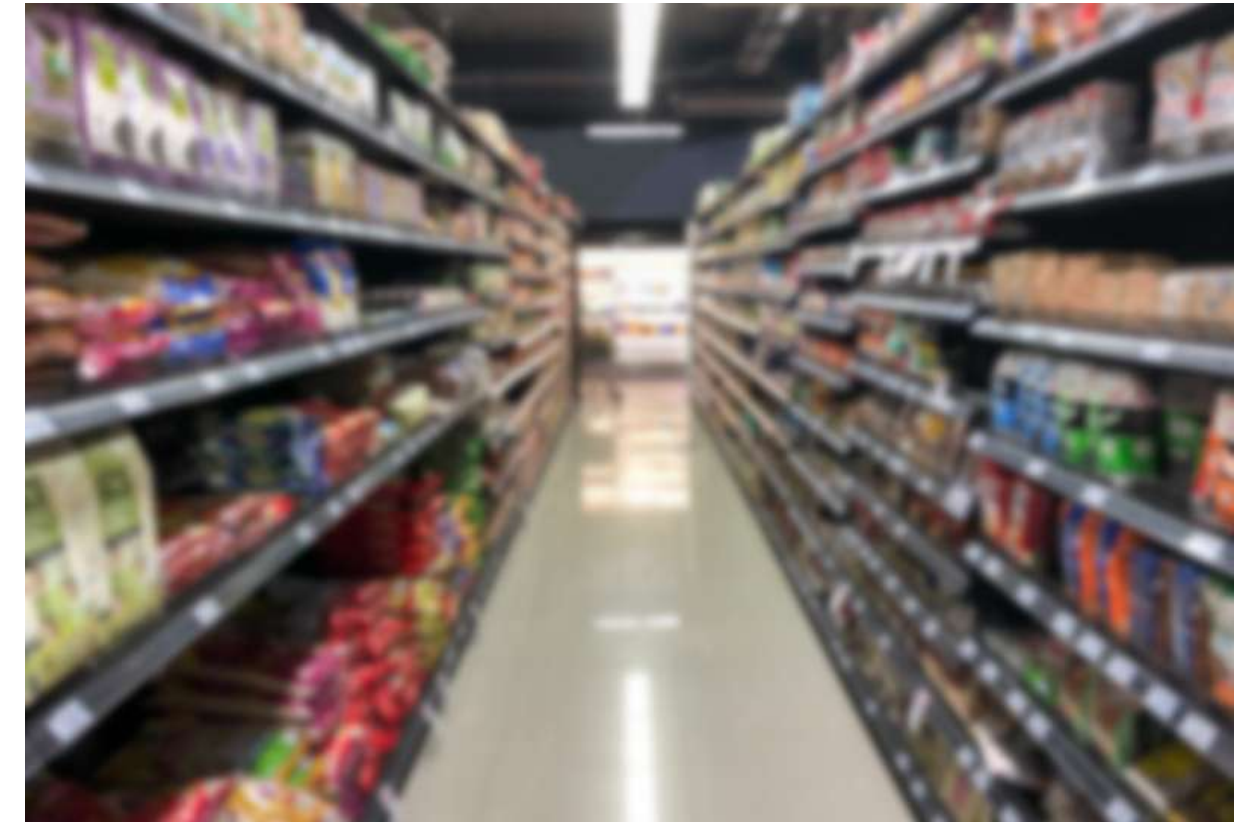




# POP Market

POP Market is a Greek startup based in Athens, operating as an online store for fast-moving consumer goods with on-site delivery. In the second quarter of 2023, the company attempted to expand its operations with two new business lines - Pop Office and Pop Marinas. Despite a promising start and the positive development of its core business, the company's founders decided to discontinue its current business activities. Some assets will be sold to interested companies, while the remaining capital will be used by the founders to initiate a new business.

MFG Invest continues to hold shares in the company, and we have a reasonable expectation for the new business to be successful. However, given the uncertainty in this direction, MFG Invest has decided to completely write off its investment in POP Market in its report as of September 30, 2023.



# Vedamo

Vedamo is an interactive learning platform equipped with various features that enhance the efficiency of online education. The platform includes a content management module, significantly beneficial for educators in preparing educational materials.

The company relies on essential partnerships in the United States, Mexico, and Latin America, as well as several East African nations and countries in the Middle East. In 2022, Vedamo secured a funding round of 1,1M euro.

During the first quarter of 2023, the platform reported 180760 unique student users engaged in sessions, along with 5 690 educators, and a total of 84 068 conducted sessions.

During the second quarter of 2023, the company launched the tutor.one marketplace, developed in close collaboration with the Faculty of Pedagogy at Sofia University "St. Kliment Ohridski". Tutor.one already boasts over 200 teachers.

Simultaneously, the primary product of Vedamo conducted 73 223 live sessions with 3 510 unique instructors and 126 161 unique learners in the same period.

By September, the number of teachers on tutor.one reached 300, with 600 more in the queue. The team accomplished significant technological enhancements to the product. The company plans to focus on marketing campaigns targeted at learners and is preparing for several new partnerships.



**VEDAMO**

**MFGINVEST**



# ONDO Solutions

ONDO is a next-generation solution that automates irrigation, precise fertilization, and climate control for open fields and greenhouses. The system includes hardware equipment and a specialized software platform for managing, controlling, and monitoring agricultural processes 24/7. The technology is web-based, allowing the controller to be managed from any device at any time and anywhere.

According to ONDO's customers, as of the end of 2022, integrating ONDO technology has resulted in a 20% higher yield and a 30% lower irrigation cost, with a reduction in the use of fertilizers and human errors and an increase in profit.

During the summer, as one of the winners of the AgriTech startup competition EBRD AgVenture, ONDO Solutions was invited to showcase its agricultural tech solution for precise plant irrigation, fertilization, control, and monitoring at the Taiwan Smart AgriWeek Exhibition in Taipei, Taiwan.

Simultaneously, the company's representative for Greece, Thomas Moschos, received the "Best Organic Farmer" award at the EU Organic Awards 2023. Moschos Farm, a family-run business, was the first to implement ONDO's system in Greece, and his award demonstrates the advantages that ONDO offers to modern farmers.

At the beginning of autumn, ONDO announced its upcoming participation as an exhibitor at the Fruit Attraction event in Madrid, Spain.



# Hydrogenera

Green Innovation AD (Hydrogenera) is a company specialized in developing and implementing innovative technologies for hydrogen production and finding various applications for it in the energy system.

The company started its activity in 2016 and has successfully completed 82 projects in three different countries over the past two years. At present, the company is present on the markets in Bulgaria, Poland, and Turkey.

In early 2023, the company received funding, with the total amount of the round reaching 2M euro.

During the third quarter, the company successfully completed the trademark patenting process and focused on marketing activities that began generating significant inquiries from potential clients.

Due to increased interest from Germany, the company is in negotiations with potential partners there. Development activities led to the production of the first low-pressure hydrogen storage bottles using metal hydride alloys. Additionally, the engineering phase for the construction of a 1MW electrolyzer with an 85% efficiency was completed.

The team successfully integrated Bulgaria's first fuel process optimization system and local production of high-energy fuel from hydrogen and oxygen for direct use without storage, connected to an industrial steam boiler running on fuel oil. This project was implemented in a dairy production company, and the integration's outcomes will be measured in the following quarter.



**HYDROGENERA**

**MFGINVEST**



# FindMeCure

FindMeCure is a platform that assists patients in their search for innovative treatments and medications that are not widely available. The platform is entirely free for patients. To date, the company has supported over 2 million patients.

The company's other software, TrialHub, supports organizations involved in clinical research by providing structured and comprehensive information for trial planning. Nearly 6 000 studies have been planned through the platform. TrialHub is utilized by medium to large companies, including ICON, Medpace, Novartis, and Premier Research. It is available in 70 countries, with 50% of businesses based in the United States and the remainder primarily in Western Europe.

In June, the company launched TrialHub IQ - an advanced AI technology set to accelerate progress in clinical trial design by utilizing industry knowledge. Clinical researchers can pose questions to the module and receive answers based on verified sources or the company's research databases.

The third quarter was record-breaking in terms of annual recurring revenue experiencing a 24% growth compared to the previous quarter. The company attributes this success to product improvements, including TrialHub IQ, alongside an enhanced marketing and sales strategy.



FindMeCure

**MFGINVEST**



# Native Spaces

Native Spaces was founded in Nice, France by Bulgarian Tanya Bencheva. It represents a platform that completely changes the way we book and organise events. The current focus is on corporate events, with the first market being the French Riviera, a preferred destination for high-class events. The team has established partnerships with notable clients, including YouTube, Adidas, Twitch, Amazon, and LinkedIn.

Native Spaces offers uniquely curated venues that are vetted by the team to ensure their quality. Native Spaces discovers new spaces such as galleries, museums, boats, private homes, which are empty for part of the year or previously unused for similar purposes. Thus, hosts receive additional income and clients get a remarkable experience.

In 2023, Native Spaces secured €1 million in equity funding and an additional €1 million in bank financing, primarily from the French Development Bank. Our investment in the company stands at 250 000 euro.

For the third quarter of 2023, the company managed to achieve a 120% increase in transactions on the platform compared to the same period last year and a 60% increase compared to the previous quarter. There are now over 100 registered spaces in Paris, with new spaces being rapidly added in preparation for the 2024 Olympic Games. Simultaneously, intensive work is underway on the new version of the platform.





# StarForge

One of the new investments we started the year with is StarForge, a new interactive reality format that tracks the development of League of Legends players, one of the most popular computer games in the world. Through live broadcasts on Twitch, players develop their skills and compete for the grand prize. At the beginning of 2023 the company already has one pilot (zero) season behind it, broadcasted in Bulgaria.

During the period of March to May 2023, the first season was conducted and broadcast internationally, including countries from Central and Eastern Europe. The first season garnered exceptional interest, as just one of the days reached viewership that exceeded the entire pilot season. The company has officially partnered with Coca-Cola, Twitch, and League of Legends. Our investment size is 100 000.



StarForge introduced a global innovation in the interactivity of live streaming through the so-called "bounty system." Through this system, viewers can set missions for participants in real-time, rewarding them for completing the tasks. This not only increases the emotional engagement of viewers but also represents a pilot method for direct monetisation in an industry that traditionally heavily relies on sponsorships as the primary source of income. The season was watched by 75,000 unique viewers.

In the third quarter, the team focused on shaping the concept for the next season based on lessons learned from the previous one. The goal is to cover a larger region and improve the content. The founders managed to attract more professionals who have worked on major productions, with the aim of offering an even better experience for viewers.





# Canopy

Canopy is a platform for managing processes of funds and for carrying out investments. The company behind the platform is registered in Delaware as Canopy Investment Funds II SPV LLC. Our investment in the company is \$50,000.

The team behind Canopy began work in 2021, aiming to facilitate the investment process in startup companies. Through the Canopy platform, the company managed to build a centralised system and achieve automation of the processes accompanying investments in startup companies.

At present, Canopy is gaining popularity and is primarily used by private investment funds in organizing funding rounds and managing subsequent investments.

The company aims to develop a modern version of SS&C (NASDAQ: SSNC, market capitalization of \$14 billion), which will enable the funds to manage all their private investments.

Private capital investments represent a \$10 trillion industry. Private investment capital is expected to grow by at least 50% to over \$15 trillion in the next 5 years. Automation of work processes and reporting, which are the focus of Canopy, will be of significant importance for the industry.



# MFG INVEST

MFG Invest stock is traded on the beam market of Bulgarian Stock Exchange under ticker MFG.

 bul. Jawaharlal Nehru 28, Sofia

