

ACADEMIC REVIEW

from

Stefan Hristov Petranov - professor at SU "St. Kliment Ohridski", Ph.D
of a dissertation for awarding the educational and scientific degree " **doctor** "

in Area of higher education 3. Social, economic and legal sciences

Professional field 3.8. Economics

Author : SNEZHANA DIMITROVA YOTINSKA

Topic : "FUNDING OPPORTUNITIES THROUGH THE CAPITAL MARKET OF SMALL AND MEDIUM-SIZED ENTERPRISES IN BULGARIA"

1. General description of the presented materials

By order No. 13 8 from 21.06.2022 of the Rector of the Higher School of Insurance and Finance Prof. Dr.J.S. Boris Velchev, I have been appointed as a member of the scientific jury to ensure a procedure for the defense of a dissertation on the topic "OPPORTUNITIES FOR FINANCING THROUGH THE CAPITAL MARKET OF SMALL AND MEDIUM-SIZED ENTERPRISES IN BULGARIA" for acquisition of the educational and scientific degree "doctor" in Area of higher education 3. Social, economic and legal sciences, Professional field 3.8. Economics. The author of the dissertation work is SNEZHANA DIMITROVA YOTINSKA - a doctoral student of independent training at the Department of Finance and Insurance with scientific supervisor Assoc. Prof. Dr. Manyu Moravenov .

The materials submitted for the purpose of the opinion include the following documents:

- CV;
- Dissertation;
- Abstract (with declaration of originality);
- List of the publications on the subject of the dissertation work;
- List of the scientific and applied contributions in the dissertation;
- Reference to the fulfillment of the minimum national requirements for acquiring the educational and scientific degree "doctor" in the professional direction 3.8. "Economy" .

2. Brief biographical details of the applicant

Snezhana Yotinska graduated with honors in Macroeconomics from the University of National and World Economy (UNWS), Sofia in 1996. She has over ten years of professional

experience as a university teacher - she was a full -time and part-time teacher - assistant and senior assistant in the "Economics " department of UNSS. She conducted seminars on the disciplines "Fundamentals of Economic Theory", "Microeconomics" and "Macroeconomics" for students from various fields, full-time and part-time, bachelor's degree.

In addition, Snezhana Yotinska also has over ten years of experience in the sphere of the Bulgarian capital market , as director of investor relations in several companies-issuers of publicly traded financial instruments, as well as as a chief expert in the Bulgarian Stock Exchange. Clearly, her professional development in this field has influenced and had a positive effect on her academic interests and in particular on her dissertation topic.

3. Characterization and evaluation of the dissertation work

The presented dissertation work has a structure and content that meets the requirements for a dissertation. It contains original research of the doctoral student and is in enough big volume - 177 pages of main text and 11 pages of references. It includes also lists of tables, graphs and figures, as well as abbreviations used. The main text contains 21 tables, 43 graphs and 13 figures. The bibliography includes 135 sources, of which 79 are in Bulgarian, 33 in English and 23 internet pages. It is clear from the text and the bibliography used that the author is familiar with the relevant economic literature (foreign and Bulgarian) and that she possesses serious theoretical and practical knowledge of the topic under research.

The dissertation is appropriately structured – it contents an introduction, three chapters with main conclusions to each of them, a general conclusion and a bibliographic reference. The presentation is clear, consistent and logically connected between the individual parts.

Chapter One presents the main trends in the development of the Bulgarian capital market in the period 2007-201 and a complete analysis of the stock market - the influence of the factors of the external and internal environment that shape its development, as well as the development of the regulatory framework and the market infrastructure. The problems emerging in this period are also analyzed - falling capitalization, decreasing turnover, low liquidity, weak interest in capital mobilization by issuing financial instruments.

The second chapter is the "core" of the dissertation. In it, the research is focused on the theoretical and practical aspects of financing opportunities for small and medium-sized enterprises (SMEs) through organized public markets. Funding sources are reviewed and the difficulties that SMEs usually encounter in financing their activities are argued. A detailed review of the nature and main objectives of the EC's initiative to create a Capital Markets Union has been made. The principles, benefits and challenges in the construction of the single capital market in the EU are

presented and in retrospect the measures taken and legislative initiatives are examined. This is important inasmuch as one of the main goals of building this union is precisely the improvement of access to financing for SMEs through the capital markets.

In Chapter Three, the experience in the field of SME growth markets is explored and presented. A comparative analysis of the SME growth markets in Poland, Romania and Bulgaria was made in terms of the criteria and procedures for listing, the stages for acceptance of issues, the existing market segments and indices. In conclusion, a financial analysis of companies traded on the NewConnect market (Poland) and on the AeRO market (Romania) was also performed and the benefits of listing companies on the stock exchange are presented.

4. Contributions and significance of the dissertation work for science and practice

The contributions of the considered dissertation work are primarily in the field of applied Economics. It examines and analyzes the important problem of access to finance for SMEs and the opportunities that capital markets provide to solve this problem. SMEs, for a number of reasons, inevitably have more difficult access to financing than large enterprises, but after the financial crisis of 2008-2009. and the subsequent debt crisis for the periphery of the Eurozone, this problem is particularly clear.

From this point of view, I find contributions above all in:

- the study of institutional initiatives in the EU regarding the integration of capital markets and the creation of a single capital market;
- the analysis of the market for the growth of SMEs in Bulgaria and the possibilities for financing the activity of SMEs through it;
- the study of good practices in the field of financing SMEs (for example, the growth markets in Poland and Romania) .

These contributions give the shape of the dissertation and can be useful for evaluating the possibilities for improving access to financing for SMEs, for stimulating the development of the Bulgarian capital market and for the necessary policies in this direction. And also, they can serve as an orientation for interested SMEs that could take advantage of these opportunities.

5 . Assessment of dissertation publications

The publications of the doctoral student, which are related to the dissertation are five in total. They present the analysis and main results of the dissertation to the general public. Two of them present the more general parts of the dissertation - the analysis of the macroeconomic imbalances in

the Bulgarian economy that arose as a result of the global financial and economic crisis of 2007-2009 and the main tendencies in the development of the Bulgarian capital market. The other three publications set out the special parts of the dissertation - the creation of the Capital Markets Union and the financing opportunities for SMEs that it creates.

6. Assessment of compliance with minimum national requirements

As highlighted in the previous section, the dissertation publications are five in total. All of them are conference reports published in Bulgarian in edited collective volumes. There is no overlap between them - they represent different aspects of the dissertation work. According to the official scientometric indicators, these publications correspond to 50 points, which, together with the dissertation work, leads to the fulfillment of the minimum national requirements under Art. 2b, para. 2 and 3 of ZRASRB for the acquisition of the educational and scientific degree "doctor" in the professional direction 3.8. Economy .

7. Abstract

The abstract fully and objectively presents the dissertation work. Its content and quality correspond to and reflect the thesis presented and the main ones results obtained in it.

8. Critical remarks and recommendations

I would make three remarks and one recommendation to the presented work.

Remarks:

- In the dissertation, there is an identification of the concept of capital market with the concept of stock market. This is not correct - capital market is a broader concept and includes not only stock markets, but also over-the-counter markets, where financial instruments with a maturity of more than one year can be traded privately.
- In some places in the thesis there are texts to the effect that the SME growth markets are a phase after which the issuers can eventually switch to financing from the regulated markets (eg item 4. on page 119). This statement is not accurate because SME growth markets are also regulated. They are MTFs that operate under the MiFID II regulatory framework. The fact that these markets are less regulated than the main stock markets does not make them unregulated.
- The choice of a specific period for the analysis of the development of the capital market in Bulgaria (2007-2019) should be justified, because the dynamics of these markets is cyclical and some of the conclusions about these dynamics depend on the specific period. Data for the studied indicators both before 2007 and after 2019 are

available, and a wider period of development could be considered, which would also lead to a wider range of conclusions.

Recommendations:

- Although the special regime of the SME growth markets has had certain successes both in the EU and in Bulgaria, much still needs to be done in order to be able to fulfill the strategic objectives in the context of the Capital Markets Union. It is clear that more measures are needed, and from this point of view I can recommend the author to continue her research in the direction of analyzes of the possibilities of simplifying the access of investors to information about SMEs, unifying the requirements for listing on growth markets and for the corporate governance of SMEs as well as to promote the mobilization of liquidity to these markets.

CONCLUSION

The dissertation *contains scientific-applied and applied results, which represent an original contribution to science* and **meet all** the requirements of the Law on the Development of the Academic Staff in the Republic of Bulgaria (ZRASRB) and the Regulations for the Implementation of ZRASRB. The presented materials and dissertation results **fully** comply with the specific requirements of the Regulations for admission and training of doctoral students in the Higher School of Insurance and Finance.

The dissertation shows that the candidate Snezhana Dimitrova Yotinska **possesses** in-depth theoretical knowledge and professional skills in Professional direction 3.8. Economics, **demonstrating** qualities and skills for independent conduct of scientific research.

Due to the above, I confidently give my *positive evaluation* of the conducted research, presented in a dissertation work, abstract, achieved results and contributions, and I *offer to the honorable scientific jury to award the educational and scientific degree "doctor"* to Snezhana Dimitrova Iotinska in the Area of higher education 3. Social, economic and legal sciences; Professional field 3.8. Economics.

27.7.2022

Reviewer:

Prof. Dr. Stefan Petranov