





SPACE OPPORTUNITIES

NICOLAE MITU
EUROPEAN
COMMISSION

Space

 Copernicus EU
 Copernicus EU

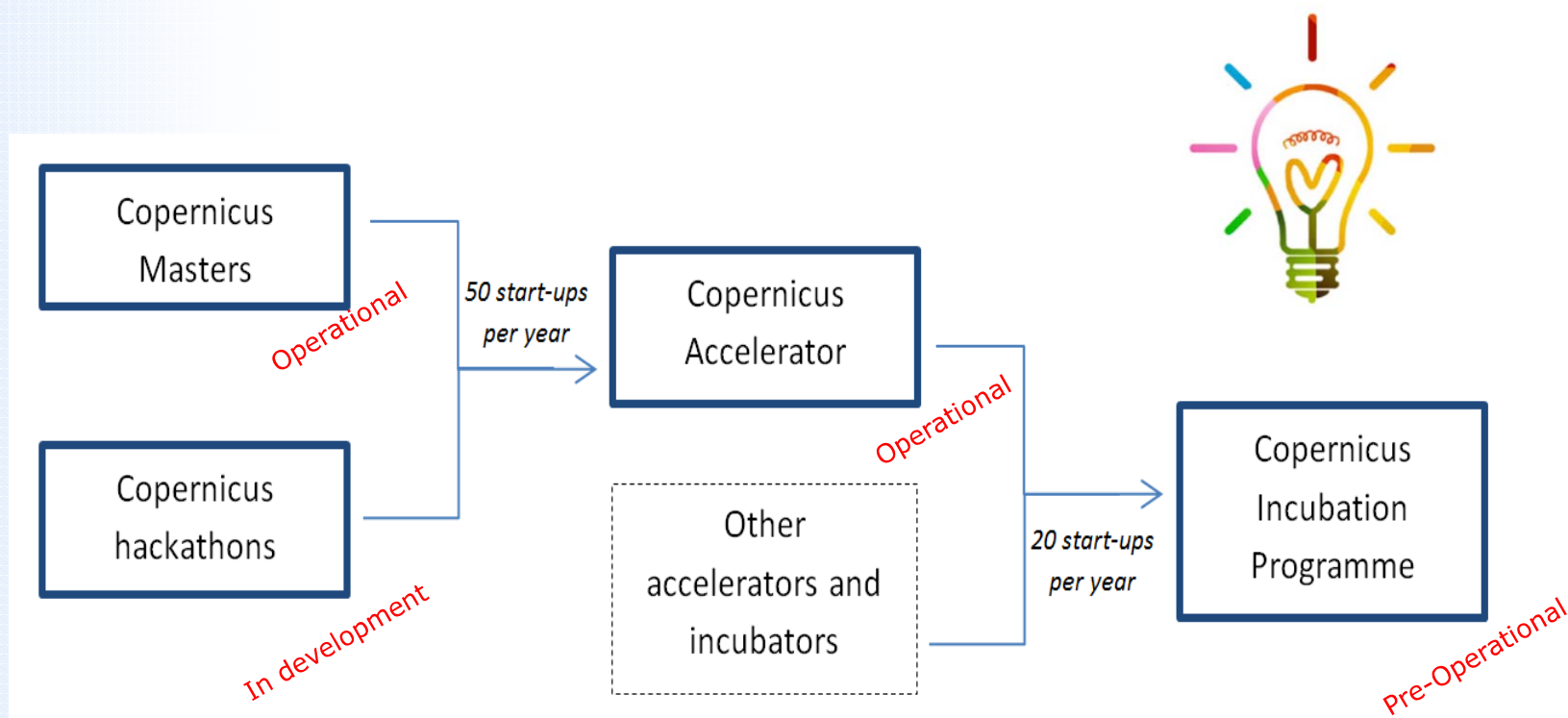
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 www.copernicus.eu





Copernicus

Copernicus start-up programme – overall architecture



Copernicus Masters



- A competition for entrepreneurs, start-ups & students, who develop applications based on Copernicus
- 13 prizes, worth €1.5 million (cash, business incubation, technical assistance...)
- Apply before June 30th: <http://www.copernicus-masters.com/participate/>

Copernicus Hackathons

- A hackathon is a sprint-like event in which computer programmers and subject-experts collaborate intensively to develop software (in that case based on Copernicus data and services).
- The COM will finance 20 Copernicus hackathons every year throughout Europe
- The organiser of the Copernicus Hackathon programme will be chosen following an open call in the summer 2017:
<https://ec.europa.eu/growth/contracts-grants/calls-for-proposals>



Copernicus Accelerator

- The Copernicus Accelerator started in November 2016 for 50 start-ups. It will be renewed in 2017.
- Each start-up receives a mentor for the duration of the programme, and works towards a business objective (e.g. entering an incubator, getting a first client...)
- It starts and closes with two BootCamps, where all participants meet their mentor and can network. Start-ups also receive monthly online courses and interaction with their mentor.



Copernicus Incubation Programme

- The COM will finance the incubation of 20 start-ups per year
- Any start-up in Europe will be able to apply (jointly with an incubator/accelerator), to receive a 50K voucher to spend on business development
- The organiser of the Copernicus Incubation programme is being chosen, following an open call. The programme will be operational at the end of 2017





FINDING THE BEST PUBLIC FINANCING INSTRUMENT

DIFFERENT COMPANIES, DIFFERENT NEEDS

- Different sizes
- Different activities
- Different phases of development



**Initial
Idea**



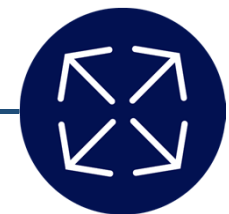
**Business
Plan**



**Marketable
Product**



Commercialisation



Expansion



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R&D FOR INNOVATIVE CONCEPTS CAN BE FUNDED BY H2020 RESEARCH GRANTS



- Includes topics such as Earth Observation, Environment monitoring, Climate change, Security, Crisis management,...
- Co-funding of **R&D activities** (Research & Innovation Actions - RIA) and **closer-to-the market activities** (Innovation Actions – IA)
- Applicants must form **a consortium** ("Find a partner" services exist)
- EU contribution: from 70% (IAs) to 100% (RIAs) of eligible costs for SMEs
- Average EU contribution: €2-5 million per project
- Typical project duration: 2-3 years

The biggest EU R&D programme, SMEs are very welcome

Visit <https://ec.europa.eu/research/participants/portal>



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THE SME INSTRUMENT HELPS TO FUND YOUR SME FROM BUSINESS PLAN TO IMPLEMENTATION



- Funding to support close-to-market activities, with the aim to give a strong boost to start-ups and scale-ups for breakthrough innovation projects
- Different types of support depending on the concept maturity:
 - **Phase 1 (from idea to concept):** finances the creation of a detailed business plan and provides business coaching;
 - **Phase 2 (from concept to market-maturity):** finances the implementation of an innovation project and provides business coaching;
 - **Phase 3 (commercialisation):** no funding but provides business coaching, training, mentorship and support to access risk finance.
- **Cut-offs** every quarter for Phase 1
- EU contribution: 70% of total eligible costs. € 50,000 funding for Phase 1, between €0.5 – 2.5 million for Phase 2
- Typical project duration: from 6 months (Phase 1) up to 1-2 years (Phase 2)

**Specifically designed
for SMEs**

Visit <http://ec.europa.eu/easme/en/horizons-2020-sme-instrument>



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TO IMPLEMENT CLOSE TO THE MARKET IDEAS OPT FOR THE "H2020 FTI PILOT"



- The H2020 "Fast Track to Innovation" (FTI) Pilot finances plans and arrangements or designs for **new, altered or improved products**, processes or services
- FTI targets products, processes or services to be commercialised **within 3 years** after the beginning of the FTI project
- Private companies, first-time industry applicants and **start-ups and scale-ups are particularly welcome** (allocation of min. 60% of the budget to industry participants)
- Applicants must form a **consortium** ("Find a partner" services exist).
- EU contribution: up to 70% for SMEs. Generally €1-2 million (can reach €3 million in justified cases)

Visit <https://ec.europa.eu/research/participants/portal>

**Bottom-up with
industry focus**



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EUROSTARS GRANTS FUND R&D-PERFORMING SMES



- Support innovative projects to be commercialised **within 2 years** of project completion
- Address any technological area provided it has a **civilian purpose**
- Applicants must form a **consortium** ("Find a partner" services exist).
- The lead partner must be an "**R&D-performing SME**" originating from a Eurostars/EUREKA country
- Eurostars member countries **national funding rules and procedures** apply
- Typical project duration: 3 years

Visit www.eurostars-eureka.eu

**Specifically designed for
R&D-performing SMEs**





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LOOKING FOR DEBT OR EQUITY? THE EU SUPPORTS THE FINANCING MARKET WITH COSME



- Facilitates access to guarantees, **loans** and **equity capital** through selected financial intermediaries (local banks)
- The **Loan Guarantee Facility (LGF)** funds guarantees and counter-guarantees (up to €150000) – helping financial intermediaries to lease finance to start-ups and scale-ups
- The **Equity Facility for Growth (EGF)** consists of investment in risk capital funds that provide venture capital and mezzanine finance to expansion and growth-stage SMEs
- Specific conditions set by financial intermediaries
- To benefit from COSME instruments, start-ups and scale-ups should contact their **local financial intermediaries**

Visit <http://ec.europa.eu/growth/smes/cosme>

Through financial intermediaries



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EIB INTERMEDIATED LOANS EASE ACCESS TO DEBT FINANCE



- The European Investment Bank (EIB) lends money at low rates to **financial intermediaries** (local partner banks) which subsequently on-lend them to beneficiaries
- EIB creates **leverage** by requesting these financial intermediaries match the funds provided by EIB loans with at least the same amount
- Loans are **flexible** in terms of size, duration and structure and depend on the financial intermediaries
- Interested start-ups and scale-ups need to contact their local financial intermediaries (list available on the EIB portal)

Visit www.eib.org

**For projects below
€25 million**



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EFSI PROVIDES PROJECT FINANCING IN KEY SECTORS FOR THE EUROPEAN ECONOMY



- The European Fund for Strategic Investment (EFSI) provides **loans** for economically and technically viable projects which are mature enough to be bankable and priced in a manner commensurate with the risk taken
- EFSI focuses on sectors of key importance for the European economy (e.g. strategic infrastructures, renewable energy and resource efficiency)
- EFSI can cover up to 50% of the total cost for both public and private sector promoters, but on average this share is about 30-35%

Visit www.eib.org/efsi

**For projects above
€25 million**





FINDING THE BEST PRIVATE FINANCING INSTRUMENT



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COMPETITIONS AND PRIZES ARE THE GLUE OF THE INNOVATION ECO-SYSTEM



- Competitions offer a **unique opportunity to showcase talent, ideas or even start-ups and companies**
- The object of the competition varies but normally involve submission of a business plan, detailed description of an idea or concept, or an actual product.
- Competitions are a **solid networking tool** and a **marketing and publicity instrument** for an individual, team or company.
- The result of winning a competition is **general exposure in the industry** and sometimes includes a non-monetary or monetary **prize**

Visit:

- Actin Space (www.actinspace.org)

**Best for networking
and gaining
recognition**

ACCELERATORS STIMULATE RAPID GROWTH IN PREPARATION FOR RISK CAPITAL



- An accelerator is an **intensive 3-6month programme** with a batch of start-ups often active around a specific theme
- Designed to advance from concept stage to an idea or prototype ready for pitching to investors **during a demoday** at the end
- In exchange for the programme's support and a small financial investment, a **stake of equity in the start-up is often taken**
- Accelerators enable start-up founders to increase the focus on their business and to be driven without deterrence toward the end goal

For highly accelerated growth in seed stage

Visit:

- SETsquared Space Accelerator Hub (www.setsquared.co.uk)
- Space3ac (www.space3.ac)



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BUSINESS INCUBATORS FOSTER THE GROWTH OF YOUNG COMPANIES



- **Incubators** are work places where various companies are **located under one roof**
- Incubators support start-ups in the development of a business idea into a feasible and financially viable company
- Mentors and subject matter **experts are available to give advice** and can **help with establishing contacts** within their networks
- Ideal for start-ups without the financial opportunity and/or infrastructure to operate already alone as a business

**For businesses
needing infrastructure
& business support**

Visit:

- Surrey Space Incubator (www.surreyspaceincubator.co.uk)
- North-East Space Incubation Programme (www.northeasttechnologypark.com)

BUSINESS ANGELS PROVIDE SMART CAPITAL FOR START-UPS IN THEIR SEED STAGE



- A **business angel** is a private investor with disposable income or wealth that provides seed capital for a start-up in exchange for equity
- Angels typically look for scalable **start-ups which have the potential for generating high rates of return**
- Angels often **invest locally and can be hard to identify**, but business angel networks or start-up events are a great start
- Angels are known to be a source of **smart capital** due to their business acumen, sector knowledge and network they often bring to the table

Visit:

- European Business Angel Network (www.eban.org)
- Space Angels Network (www.spaceangelsnetwork.com)

For smart capital



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EQUITY CROWDFUNDING ENABLES FUNDRAISING DIRECTLY FROM THE PUBLIC



- **Equity crowdfunding** is a pitch to members of an online platform in order to acquire capital, in return for shares in the start-up
- The crowdfunding campaign works on an **all or nothing principle** where by the company either receives the full target investment or not
- Only start-ups that are able to **quickly capture the imagination of investors** with an attractive campaign will be successful
- The campaign ends successfully with the start-up having the required level of funding followed by a (minimal) due diligence process

Visit:

- Seedrs (www.seedrs.com)
- FunderNation (www.fundernation.eu)

**Alternative to
traditional equity
investors**





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VENTURE CAPITAL PROVIDES THE FINANCIAL RESOURCES FOR RAPID GROWTH



- **Venture capital (VC)** is financing in the form of private funding given to a start-up in exchange for equity
- VC invests only into start-ups which are deemed to have **high potential, address a significant market** and potentially offer **substantial return on investment** in the future
- The goal of a VC is to have their start-ups reach a stage where they are **ready for an exit (sale) within a few years**
- Any start-up reaching a point ready to go to market but requires a larger investment in order to progress through the growth stage can source funding from early-stage VC's

For high potential start-ups

Visit:

- Invest Europe (www.investeurope.eu) – Industry Association of Private Capital
- Seraphim Capital (www.seraphimcapital.co.uk) – Space Fund in UK





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CROWDLENDING IS AN ALTERNATIVE OPTION OF DEBT FINANCING



- Debt crowdfunding is pitching to members of an online platform in order to allow individual lenders to combine resources for a loan to a company
- Crowdlending works on an **all or nothing principal principle** where by the company either receives the full loan or nothing
- The loan is a fixed amount and the **repayment term and interest rates are also fixed**
- Option for SMEs with an **established business and sound financial base** that have come into financial strife in terms of cashflow. Or, companies that need resources for expansion

Visit:

- Funding Circle (www.fundingcircle.com)
- Lending Club (www.lendingclub.com)

**Alternative to
traditional business
loans**



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FIND OUT MORE ON COPERNICUS.EU

www.copernicus.eu/access-to-finance

Thank you



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