



# Access 4 SMEs

National Contact Points for Innovation

Promotional Guide to access  
financial instruments and tips to  
approach investors

**Access4SMEs**

## Promotional Guide to access financial instruments and tips to approach investors Access4SMEs

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### **DISCLAIMER. Publication Information**

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# Introduction

## Grants or Loans funding model? Why not together

It has become essential that EU countries improve the efficiency and utilisation of alternative EU financial instruments provided by Horizon 2020 in close interaction with beneficiaries, the private sector, financial intermediaries and National Contact Points. The European Commission (EC) and the European Investment Bank Group (EIB) launched a new generation of EU financial instruments and advisory services to help innovative firms access finance more easily.

The EC has made available under InnovFin programme more than EUR 24bn available in debt and equity instruments over the seven-year Multi-Annual Financial Framework period, and this is expected to leverage up to a further EUR 48bn of overall R&I funding. National Contact Points (NCPs) as main actors in the European research & innovation have been called to ensure optimal promotion and exploitation of the opportunities, such as grants and financial instruments, offered under Horizon 2020.

Nowadays bank lending is still the most common source of external finance for many SMEs and entrepreneurs, which are often reliant on debt to fulfill their start-up, cash flow and investment needs. In this respect, the **InnovFin instruments, regional funds, ESIF and EFSI** share the goal of enabling synergies with traditional grant models in collaboration with commercial banks and financial intermediaries. The revamped **InnovFin instruments** under the new Horizon work programme 2018-2020 put greater emphasis on the need to work more with alternative sources of finance.

While the traditional grant-based model remains today the main source to fund research and innovation, alternative finance (crowd funding, blending, etc) and financial instruments (debt, equity, etc) are particularly important for start-ups, high-growth and innovative SMEs. Over the last years, EU grants and financial instruments have been widely considered as alternative financing models yet separate. Nowadays, it has become more and more popular among EU practitioners the idea to use grants in parallel with financial instruments.

In order not to duplicate the services already provided by the EIB-EIF group, this promotion guide seeks to advice those SMEs, that already received a “SME instrument” grant, in successfully applying for InnovFin instruments. Therefore, while traditional grants will continue to be crucial for the SME sector, more diversified options for SME financing through InnovFin will support a better systemic approach in the logic of creation synergies between EU grants and alternative financial instruments.

## Purpose and objectives of the Guide

This Promotional Guide is the result of a joint exercise carried out by Horizon 2020 National Contact Points for access to risk finance and SMEs in cooperation with financial intermediaries accredited by the European Investment Bank and European Investment Fund (EIB-EIF). The main target of the guide are primarily Innovative SMEs, Horizon 2020 applicants and other R&I organizations interested in applying for InnovFin products and getting tips to approach financial intermediaries and investors. The contents of the guide build upon the results of a dedicated survey exercise, carried out in collaboration with financial intermediaries within the Access4SMEs project. The survey aims at identifying the major issues and detecting the actions capable of maximizing impact and collaboration between access to finance communities for a more effective utilization of financial instruments and better access to related investor's support facilities. Thus, on the one hand, this guide shares the lessons learned by beneficiaries (SMEs) of InnovFin products, notably InnovFin SMEG. On the other hand, it captures the main elements (tips and tricks) to succeed in accessing InnovFin products by benchmarking financial intermediaries' practices across EU Member States.

The first part of the guide describes the European opportunities for innovative SMEs, with a special focus on InnovFin tools. The second part reports on selected success stories from both financial intermediaries and successful applicants. Finally, a dedicated third chapter will deal with Tips & Tricks for the success, providing SMEs with all the lessons learnt and indicating how to submit a successful proposal.

## Current Access to finance landscape: preliminary remarks

Small and Medium-sized Enterprises (SMEs) are the backbone of the European economy. Numbering over 20 million, SMEs represent 99% of European businesses, and provide 85% of all new jobs. SMEs are also key drivers of innovation serving as an important conduit for knowledge spill-over. Sources of finance for innovative SMEs should be as diverse as possible in order to cater for their varying needs at different stages of the firm life-cycle and the innovation process. According to the Annual Report on European SMEs 2016/2017 drafted by the European Commission, the year 2016 marked the third consecutive year of steady increases in EU-28 SME employment and EU-28 SME value added. In total, employment by EU-28 SMEs increased annually by 1.6 % in 2015 and 2016 and the added value generated by SMEs rose by 1.4 % in 2016 following an increase of 5.8 % in 2015. As inflation continued to remain low over these two years in the EU-28, this increase in added value largely reflected a real-term increase in the volume of economic activity of EU-28 SMEs in 2015 and 2016.

**SMEs and large enterprises: number of enterprises, employment, and value added in 2016 in the EU-28 non-financial business sector**

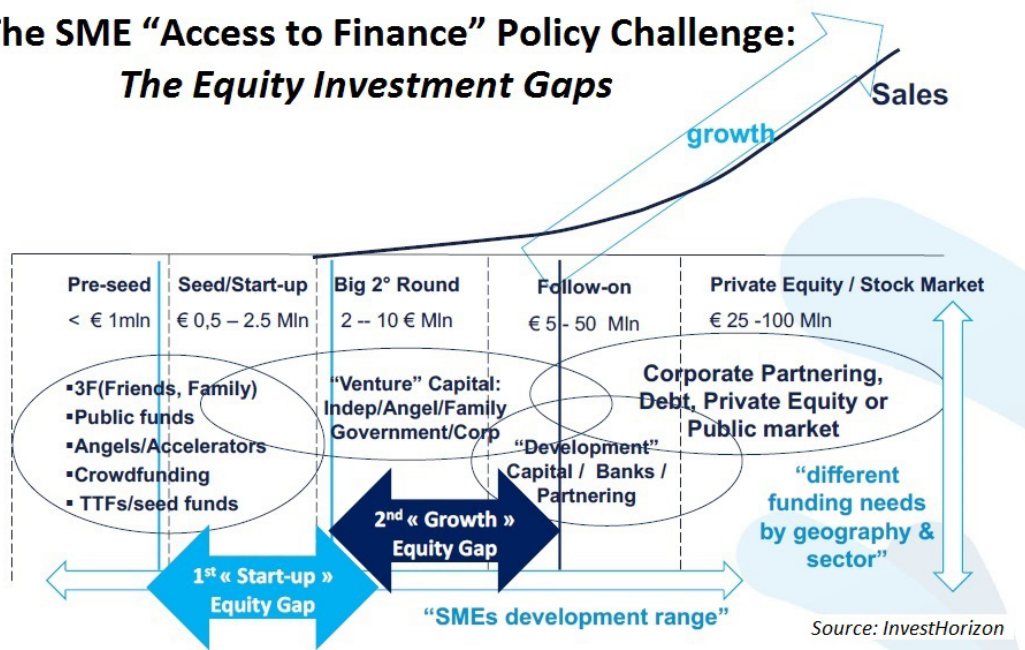
|                                     | Micro  | Small  | Medium | SME    | Large  | Total    |
|-------------------------------------|--------|--------|--------|--------|--------|----------|
| Number of enterprises               |        |        |        |        |        |          |
| In thousands                        | 22,232 | 1,392  | 225    | 23,849 | 45     | 23,894   |
| In % of total enterprise population | 93.0 % | 5.8 %  | 0.9 %  | 99.8 % | 0.2 %  | 100.0 %  |
| Number of persons employed          |        |        |        |        |        |          |
| In thousands                        | 41,669 | 27,982 | 23,398 | 93,049 | 46,665 | 139,7141 |
| In % of total employment            | 29.8 % | 20.0 % | 16.7 % | 66.6 % | 33.4 % | 100.0 %  |
| Value added                         |        |        |        |        |        |          |
| In EUR Trillion                     | 1,482  | 1,260  | 1,288  | 4,030  | 3,065  | 7,095    |
| In % of total value added           | 20.9 % | 17.8 % | 18.2 % | 56.8 % | 43.2 % | 100.0 %  |

Source: Eurostat

In these days of increased complexity of the financial system, banks and other financial intermediaries must come up with new and innovative products and services to cater to the diverse needs of the borrowers and lenders. The right mix of financial products along with the need for reducing systemic risk determines the efficacy of a financial intermediary. In the coming years, access to finance for Research and Innovation (R&I) is expected to remain a bottleneck for the commercialization of innovative products or services.

Given the current challenges (see chart below) regarding equity investment gaps, it has become more and more important to provide innovators and SMEs **with practical tools to access InnovFin instruments** and approach investors in a way to reduce investment gaps. European institutions have created a system of aid and mechanisms dedicated to innovators (InnovFin instruments). These mechanisms are adapted to accompany innovative SMEs in their different stages of development.

**The SME “Access to Finance” Policy Challenge:  
The Equity Investment Gaps**



Some important structural elements underpinning the effective deployment of financial instruments in EU Members States are:

- **Economic environment** - First of all, the survey has confirmed the important role of the economic environment. In economically advanced countries in fact, where applicants are more experienced, the InnovFin tool implementation is facilitated compared to less developed countries. This will be one of the most difficult issues to tackle, and will require targeted actions that will produce concrete results only in the mid-long term, when the “less prepared” countries will achieve the same standards as other more advanced member states.
- **Synergies** - Furthermore, the survey highlighted the importance, for financial intermediaries operating in collaboration with European initiatives, of having effective synergistic mechanisms provided by their own countries, between national and European support programs for Innovative SMEs. Synergistic mechanisms should be promoted by intensifying operational interaction (e.g.: integrated guidelines) between National and European funding instruments. The output of the survey has shown some good examples of synergies between national and European funding schemes.
- **Communication** - Structuring a good communication strategy turned out to be a winning move for financial intermediaries. That was identified as a fundamental aspect for the efficient use of InnovFin tools. According to the data, those financial intermediaries who invested in efficient communication plans were shown to be much more successful than other colleagues in their respective countries.
- **Criteria** - Last but not least, financial intermediaries showed they make use of very similar selection criteria during proposal evaluation phase. The indicators and parameters taken into account are recurring in the evaluation processes of all financial intermediaries. This has allowed identifying both positive and negative elements that SME applicants should consider in view of the evaluation process. Regardless of the geographic area, there are recurring elements for all participants at the time of selection of innovative proposals. This allowed us to identify some key aspects and requirements addressed to the applicants.

# Guide Chapter 1

## How and When to apply for what?

### When to apply and for what?

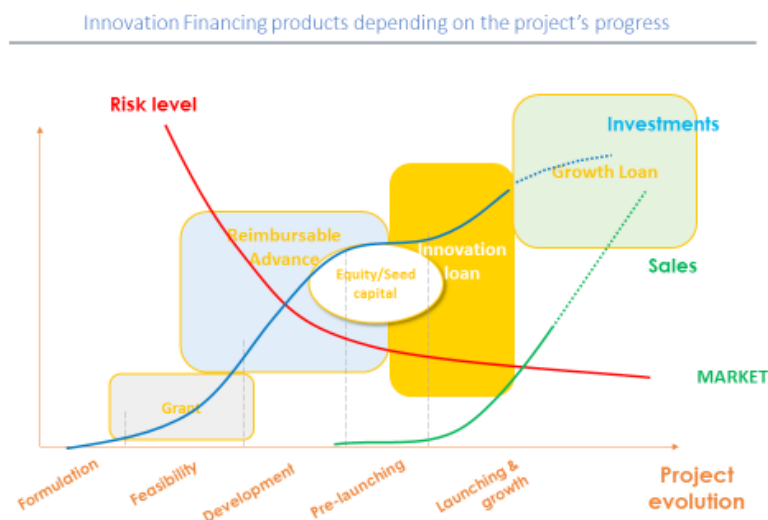
**InnovFin** is the main financial instrument implemented by the EIB group in cooperation with the European Commission that aims to facilitate access to finance for innovative SME's. It involves a large range of financial tools such as equity, seed capital and loan guarantees.

EIF-EIB group has concluded agreements, after due diligence, with national financial intermediaries that could be commercial banks, venture capital funds, development banks, guarantee funds. These institutions represent the bridge between SMEs and InnovFin tools. Thus, SMEs with innovative projects can apply for these financial supports directly through their national financial intermediaries.

The innovative project is assessed and the financial intermediary provides adapted funding according to the milestones reached by the project.

If the project is still in the upstream of the value chain, for instance in the feasibility or industrial research phase, SMEs can benefit of a support in the form of **grant**. Whereas if the project is close to the market with concrete results to be commercialized, it is legitimate to deliver a **loan**.

Thus, as you can see in the graph below, the higher the technical risk is, the financial instrument adapted are grants and/or reimbursable advances if the project succeeds. When the product is ready to be commercialized and the business forecast can be updated, the form of the support is a loan that will be reimbursed thanks to the sales. Between these two phases, the company will need to reinforce its equity, then a first raising of seed capital must be considered.





## How to apply?

The future beneficiaries of the national and European financial supports can submit their applications to the financial intermediaries that includes among others: development banks, commercial banks, venture capital funds, business angels...

You can see the financial intermediaries available in your country in the Annexes 1 and 2. If you want to know more about InnovFin products in your country, you can easily approach the National Contact points for SMEs and Access to Risk Finance (SMEs and ARF) in your country (see the link in the last page of the guide).

These financial intermediaries will study the evolution process of the project in order to identify the most convenient tool to go for.

## List of instruments (EIF) and how to apply

### 1.1 List of instruments (EIF)

Access to Risk finance provides financial solutions to companies, research centres, universities and other entities engaged with research and innovation. InnovFin is the initiative that encompasses most part of Access to risk finance products. This initiative has several sub initiatives on the debt side, providing loans and guarantees and on the equity side, where we can find venture capital solutions, business angels opportunities, etc. InnovFin is implemented by the European Commission, jointly with the European Investment Bank and the European Investment Fund.

There are 17 InnovFin initiatives focused in different targets, from large projects to SMEs and to thematic finance, from debt to equity solutions.

| EUROPEAN INVESTMENT FUND  |  | European Investment Bank<br>The EIB Bank                      |   |   |                                     |
|---|--|---|---|---|-------------------------------------|
| Early-Stage Enterprises   | SMEs                                   | Corporate   | Science   | Thematic Finance  | Advisory                            |
| InnovFin Technology Transfer                                    | InnovFin SME Guarantee                 | InnovFin Emerging Innovators                                  | InnovFin Science  | InnovFin Energy Demo Projects                                 | InnovFin Advisory                   |
| InnovFin Business Angels  |  | InnovFin MidCap Guarantee                                     |   | InnovFin Infectious Diseases                                  |                                     |
| InnovFin Venture Capital  |  | InnovFin Corporate Research Equity                            |   | InnovFin Thematic Investment Platforms                        |                                     |
| InnovFin Fund-of-Funds  |  |   |   |   |                                     |
| Early-Stage Enterprises, SMEs and Small Midcaps < 500 Employees | SMEs and Small Midcaps < 500 Employees | SMEs, Midcaps, Large Caps, SPVs                               | Research Institutes, Universities, Research Organisations | SMEs, Midcaps, possibly Large Caps, SPVs                      | Public and Private Sector Promoters |
| Intermediated Equity Financing                                  | Intermediated Debt Financing           | Direct and/or Intermediated Financing (including equity type) | Direct Financing (including equity type)                  | Direct and/or Intermediated Financing (including equity type) | Financial Advisory                  |
| Direct products   | Indirect products                      | Direct or Indirect products                                   |   |   |                                     |

Note: InnovFin Large Projects succeeded by InnovFin Emerging Innovators  
InnovFin MidCap Growth Finance is deployed under the European Fund for Strategic Investments (EFSI) since November 2016

source:www.eib.org

Table 1. List of InnovFin instruments:

| Area   | Initiative   | References  |
|--|--|---|
| <b>1.1 Universal Financing</b>                                       |  |   |
|  | InnovFin Large Projects  | <a href="http://www.eib.org/products/blending/innovfin/products/legacy-products.htm">http://www.eib.org/products/blending/innovfin/products/legacy-products.htm</a>   |
|  | InnovFin Science   | <a href="http://www.eib.org/products/blending/innovfin/products/science.htm">http://www.eib.org/products/blending/innovfin/products/science.htm</a>   |
|  | InnovFin Emerging Innovators   | <a href="http://www.eib.org/products/blending/innovfin/products/emerging-innovators.htm">http://www.eib.org/products/blending/innovfin/products/emerging-innovators.htm</a>   |
|  | InnovFin MidCap Growth Finance   | <a href="http://www.eib.org/products/blending/innovfin/products/legacy-products.htm">http://www.eib.org/products/blending/innovfin/products/legacy-products.htm</a>   |
|  | InnovFin MidCap Guarantee  | <a href="http://www.eib.org/products/blending/innovfin/products/midcap-guarantee.htm">http://www.eib.org/products/blending/innovfin/products/midcap-guarantee.htm</a>   |
| <b>1.2 Corporate Research &amp; Innovation Facility (RSCR) pilot</b> |  | <a href="http://www.eib.org/products/blending/innovfin/products/corporate-research-equity.htm">http://www.eib.org/products/blending/innovfin/products/corporate-research-equity.htm</a>                                     |
| <b>2. Thematic Finance for R&amp;I</b>                               |  |   |
|  | 2.1 InnovFin Energy Demo Projects (InnovFin EDP)   | <a href="http://www.eib.org/products/blending/innovfin/products/energy-demo-projects.htm">http://www.eib.org/products/blending/innovfin/products/energy-demo-projects.htm</a>   |
|  | 2.2 InnovFin Infectious Diseases (InnovFin ID)   | <a href="http://www.eib.org/products/blending/innovfin/products/infectious-diseases.htm">http://www.eib.org/products/blending/innovfin/products/infectious-diseases.htm</a>   |
|  | 2.3 InnovFin Holding Fund for Thematic Investment Platforms                                  | <a href="http://www.eib.org/products/blending/innovfin/products/thematic-investment-platforms.htm">http://www.eib.org/products/blending/innovfin/products/thematic-investment-platforms.htm</a>                             |
| <b>3. SMEs &amp; Small Midcaps Service</b>                           |  | <a href="http://www.eib.org/products/blending/innovfin/products/sme-guarantee.htm">http://www.eib.org/products/blending/innovfin/products/sme-guarantee.htm</a>   |
|  | 3.1 InnovFin SME Guarantee (SMEG)  |   |
|  | 3.1.1 InnovFin Uncapped Guarantee for Subordinated Debt to R&I-driven SMEs and Small Midcaps |   |
|  | 3.1.2 InnovFin Crowdfunding pilot  | <a href="http://ec.europa.eu/research/participants/data/ref/h2020/wp/2018-2020/main/h2020-wp1820-finance_en.pdf">http://ec.europa.eu/research/participants/data/ref/h2020/wp/2018-2020/main/h2020-wp1820-finance_en.pdf</a> |
| <b>3.2 InnovFin Equity</b>   |  | <a href="http://www.eib.org/products/blending/innovfin/products/equity.htm">http://www.eib.org/products/blending/innovfin/products/equity.htm</a>   |
|  | o InnovFin Technology Transfer (InnovFin TT)   |   |
|  | o InnovFin Equity Crowdfunding pilot   |   |
|  | o InnovFin Business Angels (InnovFin BA)   |   |
|  | o InnovFin Venture Capital (InnovFin VC)   |   |
|  | o InnovFin Fund-of-Funds (InnovFin FoF)  |   |

| Area                                     | Initiative | References  |
|--|------------|---|
| 3.2.1 InnovFin Space Equity Pilot (ISEP) |            | <a href="http://ec.europa.eu/research/participants/data/ref/h2020/wp/2018-2020/main/h2020-wp1820-finance_en.pdf">http://ec.europa.eu/research/participants/data/ref/h2020/wp/2018-2020/main/h2020-wp1820-finance_en.pdf</a> |
| 6. InnovFin Advisory                     |            | <a href="http://www.eib.org/products/advising/innovfin-advisory/index.htm">http://www.eib.org/products/advising/innovfin-advisory/index.htm</a>   |

SMEs are an important target to InnovFin initiative. The instruments for SMEs are usually implemented by the European Investment Fund (EIF) through financial intermediaries (i.e. Banks,

mutual guarantee associations, Venture capital entities, funds, etc). On this guide we will focus on the existing instruments on the debt and on the equity window.

## Debt Window

On the debt side there are **3** initiatives focused on SMES and small mid caps (companies with less than 500 employees):

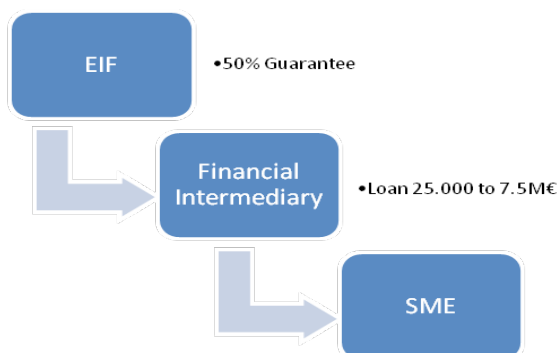
- **InnovFin SME Guarantee (SMEG)**
- **InnovFin Uncapped Guarantee for Subordinated Debt to R&I-driven SMEs and Small Midcaps**
- **InnovFin Crowdfunding pilot**

## InnovFin SME Guarantee (SMEG)

InnovFin SME Guarantee (InnovFin SMEG) is the successor of Risk Sharing Instrument (RSI), an FP7 loans and guarantee Instrument for Innovative and Research oriented SMEs and small Mid-Caps under RiskSharing Finance Facility.

InnovFin SMEG is the main product for SMEs and Mid caps, providing loans between 25.000 and 7.5M€. With this instrument EIF provides guarantees and counter guarantees to the financial intermediaries:

Figure S. InnovFin SMEG process:



With this facility SMEs have up to 50% of the guarantee covered by EIF, making the loan more attractive to the market. Due to this guarantee the cost of the loan is lower and EIF sets the guarantee fee by 0.5% for an SME or 0.8% for a Mid Cap.

Figure 1. InnovFin SMEG Financial Benefit

| Typical loan  | InnovFin SMEG loan |  |
|---------------|--------------------|--|
| Credit spread | Credit spread      | Credit spread reduction thanks to InnovFin |
| Others/profit | Others/profit      | Others/profit                              |
| Admin. Cost   | Admin. Cost        | Admin. Cost                                |
| Funding Cost  | Funding Cost       | Funding Cost                               |
|               | 50% of the loan    | 50% of the loan                            |

The target for this facility are the so called “innovative SMEs”. Under Innovfin SMEG “ an Innovative SMEs must fulfil at least one of the following conditions<sup>1</sup>:

- Invest in producing, developing or implementing new or substantially improved products, processes or services, or production or delivery methods, or organisational or process innovation including business models that are innovative;
- The Beneficiary is a “fast-growing enterprise” - growth in employees or in turnover greater than
- 20%;
- R&I costs represent at least 5% of its total operating costs;
- The Beneficiary shall have a significant innovation potential or be an “R&I-intensive enterprise”, by satisfying at least one of the following conditions:
  - » R&I annual expenses are equal or exceed 20%;
  - » The Beneficiary undertakes to spend an amount at least equal to 80% of the Beneficiary Transaction amount on R&I activities;
  - » The Beneficiary has been formally awarded grants, loans or guarantees from European R&I support schemes or through their funding instruments;
  - » The Beneficiary has been awarded over the last twenty-four (24) months\*an R&D or Innovation prize provided by an EU institution or an EU body;
  - » The Beneficiary has registered at least one technology right in the last twenty-four (24) months;
  - » The Beneficiary is an early stage SME and it has received an investment over the last twenty-four months from a venture capital investor or from a business angel;
  - » The Beneficiary requires a risk finance investment which in view of entering a new product or geographical market, is higher than 50% of its average annual turnover in the preceding 5 years;
  - » The Beneficiary’s R&I costs represent at least 10% of its total operating costs in at least one

<sup>1</sup> Annex II to the Open Call for Expression of Interest to select financial intermediaries under InnovFin SME Guarantee facility

- of the three preceding years;
- » The Beneficiary has been designated in the past 36 months as an innovative company by an EU or national or regional institution or body.

The InnovFin SMEG financial intermediaries are present on most part of European countries and associated countries. The list of financial intermediaries is available on annex 1. You can also contact your **Access to Risk Finance NCP** to know more about your **InnovFin Products in your country**.

### InnovFin Uncapped Guarantee for Subordinated Debt to R&I-driven SMEs and Small Midcaps and the InnovFin Crowdfunding pilot.

InnovFin Uncapped Guarantee for Subordinated Debt to R&I-driven SMEs and Small Midcaps is focused on higher risk projects that do not fulfill the conditions for a traditional loan. This facility will select the first financial intermediaries in 2018.

The crowdfunding platforms are fluorescing around Europe as alternative forms of funding. This kind of funding is a good way to mitigate the risk of projects and could be applied in research and innovation projects. EC will launch the pilot InnovFin Crowdfunding and will select the first financial intermediaries in 2018.

### Equity Window

Equity instruments are a growing industry on all economic and social areas in Europe. Under InnovFin initiative Horizon 2020 already launched InnovFin Equity initiative. InnovFin Equity is part of “The Single EU Equity Financial Instrument” together with the COSME ([Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises](#)) Equity Facility for Growth (EFG). Those products take the form of seed and venture capital.

With this facility EIF will actively invest or co-invest on funds focused on the areas covered by Horizon 2020 societal challenges and industrial leadership. The role of EIF is to foster the creation or expansion of funds and others initiatives. EIF may invest up to 50% of the total commitments (with exception on the InnovFin Technology Transfer and InnovFin Business Angels), but it is required a participation of at least 30% from private partners.

InnovFin Equity includes several products on early stage, InnovFin Technology Transfer, InnovFin Business Angels, InnovFin Venture Capital and InnovFin Fund-of-Funds. The main features of each instrument are:

Table 2. InnovFin Equity products

| Instrument                   | Phase                           | % EIF     | Target   | Duration |
|------------------------------|---------------------------------|-----------|--|----------|
| InnovFin Technology Transfer | Pre-seed and seed capital       | Up to 50% | -Technology transfer offices;<br>-Research organisations;<br>-Universities and higher education institutes (HEIs) performing research;<br>-Technology transfer specialists | 20 years |
| InnovFin Business Angels     | Seed capital                    | Up to 50% | -Business Angels   | 15 years |
| InnovFin Venture Capital     | Seed and venture capital        | Up to 25% | -Venture capital funds,  | 15 years |
| InnovFin Fund of funds       | Venture and multi-stage capital | Up to 25% | -Fund of Funds established in at least 4 EU countries  | n.a.     |

Those instruments are open on a first come first serve basis and are adapted to several types of financial intermediaries. Financial intermediaries on the several products can apply to those instruments until 30 September 2020. SMEs should contact directly the selected financial intermediaries. The list InnovFin Equity financial intermediaries is available on annex 2. You can also contact your **Access to Risk Finance NCP** to know more about your **InnovFin Products** in your country.

## Annex 1. List of InnovFin SMEG Agreements

| Financial Intermediary              | website   | Country                |
|-------------------------------------|---|------------------------|
| ProCredit Bank Sh. A. Albania       | <a href="http://www.procreditbank.com.al">http://www.procreditbank.com.al</a>   | Albania                |
| UniCredit Bank Austria AG           | <a href="https://www.bankaustria.at/en/">https://www.bankaustria.at/en/</a>   | Austria                |
| ING Belgie NV                       | <a href="http://www.ing.be">http://www.ing.be</a>   | Belgium                |
| KBC Bank NV                         | <a href="http://www.kbc.be/fr.html?zone=topnav">http://www.kbc.be/fr.html?zone=topnav</a>                             | Belgium                |
| ProCredit Bank d.d.                 | <a href="http://www.procreditbank.ba">http://www.procreditbank.ba</a>   | Bosnia and Herzegovina |
| UniCredit Bank a.d. Banja Luka      | <a href="http://www.unicreditbank-bl.ba/sr/stanovnistvo.html">http://www.unicreditbank-bl.ba/sr/stanovnistvo.html</a> | Bosnia and Herzegovina |
| UniCredit Bank d.d.                 | <a href="http://www.unicredit.ba/ba/stanovnistvo.html">http://www.unicredit.ba/ba/stanovnistvo.html</a>               | Bosnia and Herzegovina |
| UniCredit Leasing d.o.o. za leasing | <a href="http://www.unicreditleasing.ba">http://www.unicreditleasing.ba</a>   | Bosnia and Herzegovina |
| Cibank JSC                          | <a href="http://www.cibank.bg">http://www.cibank.bg</a>   | Bulgaria               |

| Financial Intermediary                                  | website   | Country        |
|---|---|----------------|
| Cibank JSC  | <a href="http://www.cibank.bg">http://www.cibank.bg</a>   | Bulgaria       |
| DSK Bank EAD  | <a href="http://www.dskbank.bg/page/default.aspx?&amp;xml_id=/en-US/">www.https://dskbank.bg/page/default.aspx?&amp;xml_id=/en-US/</a>        | Bulgaria       |
| ProCredit Bank Bulgaria EAD                             | <a href="http://www.procreditbank.bg/en">http://www.procreditbank.bg/en</a>   | Bulgaria       |
| UniCredit Bulbank A.D.                                  | <a href="http://www.unicreditbulbank.bg/en/index.htm">http://www.unicreditbulbank.bg/en/index.htm</a>   | Bulgaria       |
| Erste & Steiermärkische Bank d.d.                       | <a href="https://www.erstebank.hr/hr/o-nama">https://www.erstebank.hr/hr/o-nama</a>   | Croatia        |
| HBOR - Croatian Bank for Reconstruction and Development | <a href="http://www.hbor.hr/en">www.http://hbor.hr/en</a>   | Croatia        |
| Zagrebacka banka d.d.                                   | <a href="http://www.zaba.hr/home/en">http://www.zaba.hr/home/en</a>   | Croatia        |
| RCB Bank Ltd  | <a href="http://www.rcbcy.com/en/">http://www.rcbcy.com/en/</a>   | Cyprus         |
| Ceska Sporitelna a.s.                                   | <a href="http://www.csas.cz">http://www.csas.cz</a>   | Czech Republic |
| Ceskoslovenska obchodni banka a.s.                      | <a href="https://www.csob.cz/portal/entrepreneurs-firms-and-institutions">https://www.csob.cz/portal/entrepreneurs-firms-and-institutions</a> | Czech Republic |
| Komerční Banka a.s.                                     | <a href="https://www.kb.cz/en/">https://www.kb.cz/en/</a>   | Czech Republic |
| Unicredit Bank Czech Republic and Slovakia a.s          | <a href="http://www.unicreditbank.sk/en">http://www.unicreditbank.sk/en</a>   | Czech Republic |
| EKF Danmarks Eksportkredit                              | <a href="http://www.ekf.dk/en">http://www.ekf.dk/en</a>   | Denmark        |
| The Danish Growth Fund (Vækstfonden)                    | <a href="http://www.vf.dk">http://www.vf.dk</a>   | Denmark        |
| The Danish Growth Fund (Vækstfonden)                    | <a href="http://www.vf.dk">http://www.vf.dk</a>   | Denmark        |
| AS LHV Pank   | <a href="http://www.lhv.ee">http://www.lhv.ee</a>   | Estonia        |
| Alandsbanken Abp  | <a href="http://www.alandsbanken.com/">http://www.alandsbanken.com/</a>   | Finland        |
| OP Corporate Bank plc                                   | <a href="https://www.op.fi/">https://www.op.fi/</a>   | Finland        |
| BPCE S.A.   | <a href="http://www.groupebpce.fr/en">http://www.groupebpce.fr/en</a>   | France         |
| BPCE S.A.   | <a href="http://www.groupebpce.fr/en">http://www.groupebpce.fr/en</a>   | France         |
| Bpifrance Financement                                   | <a href="http://www.bpifrance.fr/Bpifrance/Nos-metiers/Financement">http://www.bpifrance.fr/Bpifrance/Nos-metiers/Financement</a>             | France         |
| Bpifrance Financement                                   | <a href="http://www.bpifrance.fr/Bpifrance/Nos-metiers/Financement">http://www.bpifrance.fr/Bpifrance/Nos-metiers/Financement</a>             | France         |
| Bpifrance Financement                                   | <a href="http://www.bpifrance.fr/Bpifrance/Nos-metiers/Financement">http://www.bpifrance.fr/Bpifrance/Nos-metiers/Financement</a>             | France         |

| Financial Intermediary                             | website   | Country |
|--|---|---------|
| Bpifrance Financement                              | <a href="http://www.bpifrance.fr/Bpifrance/Nos-metiers/Financement">http://www.bpifrance.fr/Bpifrance/Nos-metiers/Financement</a> | France  |
| Crédit du Nord                                     | <a href="http://www.credit-du-nord.fr">http://www.credit-du-nord.fr</a>   | France  |
| Eiffel Investment Group SAS                        | <a href="http://www.eiffel-ig.com/">http://www.eiffel-ig.com/</a>   | France  |
| Entrepreneur Venture                               | <a href="http://www.entrepreneurventure.com">http://www.entrepreneurventure.com</a>   | France  |
| La Banque Postale                                  | <a href="http://www.labanquepostale.fr">http://www.labanquepostale.fr</a>   | France  |
| LIXXBAIL   | <a href="http://www.lixxbail.fr/fr/contact.html">http://www.lixxbail.fr/fr/contact.html</a>                                       | France  |
| JSC ProCredit Bank Georgia                         | <a href="http://www.procreditbank.ge/">http://www.procreditbank.ge/</a>   | Georgia |
| Deutsche Bank AG                                   | <a href="http://www.db.com/index_e.htm">http://www.db.com/index_e.htm</a>   | Germany |
| Hamburgische Investitions- und Förderbank (IFB HH) | <a href="https://www.ifbhh.de/">https://www.ifbhh.de/</a>   | Germany |
| Investitionsbank Berlin                            | <a href="http://www.ibb.de/">http://www.ibb.de/</a>   | Germany |
| Investitionsbank des Landes Brandenburg            | <a href="https://www.ilb.de/">https://www.ilb.de/</a>   | Germany |
| Investitionsbank Schleswig-Holstein                | <a href="http://www.ib-sh.de/">http://www.ib-sh.de/</a>   | Germany |
| Investitions- und Strukturbank Rheinland-Pfalz     | <a href="http://www.isb.rlp.de/">http://www.isb.rlp.de/</a>   | Germany |
| KfW (Kreditanstalt für Wiederaufbau)               | <a href="http://www.kfw.de">http://www.kfw.de</a>   | Germany |
| NRW.BANK   | <a href="http://www.nrwbank.de">http://www.nrwbank.de</a>   | Germany |
| Procredit Bank Germany                             | <a href="https://www.procreditbank.de/en/">https://www.procreditbank.de/en/</a>   | Germany |
| ProCredit Holding AG & Co. KGaA                    | <a href="http://www.procredit-holding.com">http://www.procredit-holding.com</a>   | Germany |
| Wirtschafts- und Infrastrukturbank Hessen          | <a href="https://www.wibank.de/">https://www.wibank.de/</a>   | Germany |
| Alpha Bank A.E.                                    | <a href="http://www.alpha.gr">http://www.alpha.gr</a>   | Greece  |
| Eurobank Ergasias SA                               | <a href="http://www.eurobank.gr/online/home/">http://www.eurobank.gr/online/home/</a>   | Greece  |
| Piraeus Bank S.A.                                  | <a href="http://www.piraeusbank.gr/el/ldiwtes">http://www.piraeusbank.gr/el/ldiwtes</a>   | Greece  |
| UniCredit Bank Hungary Zrt                         | <a href="http://www.unicreditbank.hu">http://www.unicreditbank.hu</a>   | Hungary |



| Financial Intermediary                              | website   | Country |
|---|---|---------|
| Arion Banki hf                                      | <a href="http://www.arionbanki.is/english/">http://www.arionbanki.is/english/</a>   | Iceland |
| Bank Leumi le-Israel B.M.                           | <a href="http://www.english.leumi.co.il/">http://www.english.leumi.co.il/</a>   | Israel  |
| ALBA Leasing S.p.A.                                 | <a href="http://www.albaleasing.eu">http://www.albaleasing.eu</a>   | Italy   |
| Anthilia Capital Partners SGR S.p.A.                | <a href="http://www.anthilia.it">http://www.anthilia.it</a>   | Italy   |
| Banca Di Credito Cooperativo Di Castagneto Carducci | <a href="http://www.bcccastagneto.it">http://www.bcccastagneto.it</a>   | Italy   |
| Banca di Credito Popolare S.c.p.a.                  | <a href="http://www.bcp.it">http://www.bcp.it</a>   | Italy   |
| Banca di Pisa e Fornacette Credito Cooperativo      | <a href="http://www.bancadipisa.it">http://www.bancadipisa.it</a>   | Italy   |
| Banca di Viterbo Credito Cooperativo                | <a href="http://www.bancadiviterbo.it">http://www.bancadiviterbo.it</a>   | Italy   |
| Banca piccolo credito Valtellinese SPA              | <a href="http://www.gruppocreval.com">http://www.gruppocreval.com</a>   | Italy   |
| Banca Popolare di Bari                              | <a href="http://www.popolarebari.it">http://www.popolarebari.it</a>   | Italy   |
| Banca Popolare Pugliese                             | <a href="http://www.bpp.it/">http://www.bpp.it/</a>   | Italy   |
| Banca Sella SpA                                     | <a href="https://www.sella.it/">https://www.sella.it/</a>   | Italy   |
| Banca Valsabbina S.C.p.A.                           | N/a   | Italy   |
| BPER Banca SpA                                      | <a href="http://www.bper.it">http://www.bper.it</a>   | Italy   |
| BPM - Banca Popolare di Milano                      | <a href="http://www.">http://www.</a>   | Italy   |
| Cassa di Risparmio di Parma e Piacenza S.p.A        | <a href="http://www.cariparma.it/">http://www.cariparma.it/</a>   | Italy   |
| Confidi Systema!                                    | <a href="http://www.confidisystema.com/">http://www.confidisystema.com/</a>   | Italy   |
| Credito Emiliano S.p.A.                             | <a href="http://www.credem.it/Privati/Pagine/Home_Privati.aspx">http://www.credem.it/Privati/Pagine/Home_Privati.aspx</a> | Italy   |
| Ente Cambiano Scpa                                  | <a href="http://www.bancacambiano.it">http://www.bancacambiano.it</a>   | Italy   |
| ICCREA BancaImpresa S.p.A.                          | <a href="https://www.iccreabancaimpresa.it/">https://www.iccreabancaimpresa.it/</a>                                       | Italy   |
| Mediocredito Trentino-Alto Adige S.p.A.             | <a href="http://www.mediocredito.it">http://www.mediocredito.it</a>   | Italy   |
| SACE S.p.A  | <a href="http://www.sace.it">http://www.sace.it</a>   | Italy   |

| Financial Intermediary                                  | website   | Country                                    |
|---|---|--|
| JSC Development Finance Institution Altum               | <a href="http://www.altum.lv/en/">http://www.altum.lv/en/</a>   | Latvia                                     |
| SIA UniCredit Leasing                                   | <a href="http://www.unicreditleasing.lv/eng/">http://www.unicreditleasing.lv/eng/</a>   | Latvia                                     |
| Siauliu Bankas AB                                       | <a href="http://www.sb.lt/en/">http://www.sb.lt/en/</a>   | Lithuania                                  |
| Banque Internationale à Luxembourg                      | <a href="http://www.bil.com">http://www.bil.com</a>   | Luxembourg                                 |
| BGL BNP Parisbas S.A.                                   | <a href="http://www.bgl.lu">http://www.bgl.lu</a>   | Luxembourg                                 |
| ING Luxembourg  | <a href="http://www.ing.lu/ING/FR/Particuliers/index.htm">http://www.ing.lu/ING/FR/Particuliers/index.htm</a>                                       | Luxembourg                                 |
| ProCredit Bank AD Skopje                                | <a href="http://www.procreditbank.com.mk">http://www.procreditbank.com.mk</a>   | Macedonia, the Former Yugoslav Republic of |
| Silk Road Bank AD                                       | <a href="http://www.silkroadbank.com.mk">www.https://silkroadbank.com.mk</a>  | Macedonia, the Former Yugoslav Republic of |
| APS Bank Limited  | <a href="http://www.apsbank.com.mt/">http://www.apsbank.com.mt/</a>   | Malta                                      |
| Banca Comerciala MOBIBANCA-Groupe Societe Generale S.A. | <a href="http://www.mobiasbanca.md/en">http://www.mobiasbanca.md/en</a>   | Moldova, Republic of                       |
| Banca Comerciala Romana Chisinau                        | <a href="https://www.bcr.md">https://www.bcr.md</a>   | Moldova, Republic of                       |
| B.C ProCredit Bank S.A (Moldova)                        | <a href="http://www.procreditbank.md">http://www.procreditbank.md</a>   | Moldova, Republic of                       |
| Innovation Norway                                       | <a href="http://www.innovasjon Norge.no/en/start-page/">http://www.innovasjon Norge.no/en/start-page/</a>   | Norway                                     |
| Innovation Norway                                       | <a href="http://www.innovasjon Norge.no/en/start-page/">http://www.innovasjon Norge.no/en/start-page/</a>   | Norway                                     |
| PKO Leasing S.A.  | N/a   | Poland                                     |
| Banco BPI S.A.  | <a href="http://www.bancobpi.pt">http://www.bancobpi.pt</a>   | Portugal                                   |
| Banco Comercial Portugues, S.A.                         | <a href="http://www.ind.millenniumbcp.pt/pt/Particulares/Pages/Welcome.aspx">www.http://ind.millenniumbcp.pt/pt/Particulares/Pages/Welcome.aspx</a> | Portugal                                   |
| Caixa Economica Montepio Geral                          | <a href="http://www.montepio.pt/SitePublico/en_GB/institutional.page?">http://www.montepio.pt/SitePublico/en_GB/institutional.page?</a>             | Portugal                                   |
| Novo Banco S.A.   | <a href="http://www.novobanco.pt">http://www.novobanco.pt</a>   | Portugal                                   |
| Novo Banco S.A.   | <a href="http://www.novobanco.pt">http://www.novobanco.pt</a>   | Portugal                                   |
| ProCredit Bank Romania S.A.                             | <a href="http://www.procreditbank.ro/en">http://www.procreditbank.ro/en</a>   | Romania                                    |

| Financial Intermediary                                | website   | Country        |
|---|---|----------------|
| UniCredit Bank S.A.                                   | <a href="http://www.unicredit.ro/en/persoane-fizice.html">http://www.unicredit.ro/en/persoane-fizice.html</a>   | Romania        |
| Banca Intesa AD Beograd                               | <a href="http://www.bancaintesabeograd.com/pocetna.1.html">http://www.bancaintesabeograd.com/pocetna.1.html</a>   | Serbia         |
| ProCredit Bank a.d. Belgrade                          | <a href="http://www.procreditbank.rs/en/home">http://www.procreditbank.rs/en/home</a>   | Serbia         |
| UniCredit Bank Serbia JSC Belgrade                    | <a href="http://www.unicreditbank.rs/en/pi.html">http://www.unicreditbank.rs/en/pi.html</a>   | Serbia         |
| Ceskoslovenska obchodna banka a.s.                    | <a href="https://www.csob.sk/en/companies">https://www.csob.sk/en/companies</a>   | Slovakia       |
| UniCredit   | <a href="https://www.unicreditbank.sk/en/businesses.html#home">https://www.unicreditbank.sk/en/businesses.html#home</a>   | Slovakia       |
| CaixaBank S.A.  | <a href="http://www.caixabank.com">http://www.caixabank.com</a>   | Spain          |
| Caja Laboral Popular, Sociedad Cooperativa de Crédito | <a href="https://www.laboralkutxa.com/es/particulares">https://www.laboralkutxa.com/es/particulares</a>   | Spain          |
| Compania Espanola de Reafianzamiento S.A.             | <a href="http://www.cersa-sme.es/">http://www.cersa-sme.es/</a>   | Spain          |
| Inveready Asset Management SGEIC                      | <a href="http://www.inveready.com">http://www.inveready.com</a>   | Spain          |
| Trea Asset Management                                 | <a href="http://www.treaam.com/en/">http://www.treaam.com/en/</a>   | Spain          |
| ALMI Företagspartner AB                               | <a href="http://www.almi.se">http://www.almi.se</a>   | Sweden         |
| Norrlandsfonden                                       | <a href="http://www.norrlandsfonden.se">http://www.norrlandsfonden.se</a>   | Sweden         |
| Svensk Exportkredit AB                                | <a href="http://www.sek.se/en">http://www.sek.se/en</a>   | Sweden         |
| Amen Bank   | <a href="http://www.amenbank.com.tn/">http://www.amenbank.com.tn/</a>   | Tunisia        |
| Turkiye Sinai Kalkinma Bankasi A.S.                   | <a href="http://www.tskb.com.tr">http://www.tskb.com.tr</a>   | Turkey         |
| JSC ProCredit Bank Ukraine                            | <a href="http://www.procreditbank.com.ua/">http://www.procreditbank.com.ua/</a>   | Ukraine        |
| Barclays Bank plc                                     | <a href="https://www.barclayscorporate.com/products-and-solutions/financing/corporate-lending/innovation_finance.html">https://www.barclayscorporate.com/products-and-solutions/financing/corporate-lending/innovation_finance.html</a> | United Kingdom |
| British Business Finance Limited                      | <a href="http://www.british-business-bank.co.uk/british-business-finance-limited/">www.http://british-business-bank.co.uk/british-business-finance-limited/</a>   | United Kingdom |
| British Business Finance Limited                      | <a href="http://www.british-business-bank.co.uk/british-business-finance-limited/">www.http://british-business-bank.co.uk/british-business-finance-limited/</a>   | United Kingdom |
| Tenax Capital Limited UK                              | <a href="http://www.tenaxcapital.com/">http://www.tenaxcapital.com/</a>   | United Kingdom |

## Annex 2. List of Financial Intermediaries of InnovFin Equity

| Fund Manager Country | Selected Financial Intermediary                | Type of support | Sector Focus     | Financial Intermediary Website  |
|----------------------|--|-----------------|------------------|---|
| Ireland              | ACT V Venture Capital Fund                     | Venture Capital | Balanced VC      | <a href="http://www.actventure.com">www.actventure.com</a>                                |
| France               | Advent France Biotechnology Seed Fund I        | TTA             | Life Science     | <a href="http://www.adventls.com/">http://www.adventls.com/</a>                           |
| Netherlands          | BioGeneration Capital Fund III                 | Venture Capital | Life Science     | <a href="http://www.biogenerationventures.com/">http://www.biogenerationventures.com/</a> |
| Spain                | Bullnet Capital III                            | Venture Capital | ICT              | <a href="http://www.grupobullnet.com">http://www.grupobullnet.com</a>                     |
| France               | CapHorn 2, FPCI                                | Business Angels | ICT              | <a href="http://www.caphorninvest.fr">http://www.caphorninvest.fr</a>                     |
| France               | Daphni Purple                                  | Venture Capital | ICT              | <a href="http://www.daphni.com">http://www.daphni.com</a>                                 |
| France               | Elaia Delta                                    | Venture Capital | ICT              | <a href="http://www.elaia.com">http://www.elaia.com</a>                                   |
| Ireland              | Frontline Ventures Fund II Limited Partnership | Venture Capital | ICT              | <a href="http://www.frontline.vc/">http://www.frontline.vc/</a>                           |
| France               | GO Capital Amorçage II                         | TTA             | ICT-Life Science | <a href="http://www.gocapital.fr">http://www.gocapital.fr</a>                             |
| Netherlands          | Innovation Industries Fund Cooperatief U.A.    | TTA             | Generalist + ICT | <a href="http://www.innovationindustries.com/">http://www.innovationindustries.com/</a>   |
| Poland               | Innovation Nest II SCSp                        | Venture Capital | ICT              | <a href="http://www.innovationnest.co/">http://www.innovationnest.co/</a>                 |
| Spain                | K Fund FCR                                     | Venture Capital | ICT              | <a href="http://www.kfund.vc">http://www.kfund.vc</a>                                     |
| Multi-country        | MarketOne Capital                              | Venture Capital | ICT              | <a href="http://en.protos.vc/">http://en.protos.vc/</a>                                   |
| Italy                | Panakes Fund I                                 | Venture Capital | Life Sciences    | <a href="http://www.panakes.it/">http://www.panakes.it/</a>                               |
| Netherlands          | SET Fund II                                    | Venture Capital | Cleantech        | <a href="http://www.setventures.com">http://www.setventures.com</a>                       |
| France               | Sofinnova Industrial Biotechnology Fund        | Venture Capital | Life Science     | <a href="http://www.sofinnova.fr/en/">http://www.sofinnova.fr/en/</a>                     |
| Italy                | United Ventures Two                            | Venture Capital | ICT              | <a href="http://www.unitedventures.it">http://www.unitedventures.it</a>                   |
| Italy                | Vertis Venture 3 Technology Transfer           | TTA             | Generalist + ICT | <a href="http://www.vertis.it/">http://www.vertis.it/</a>                                 |
| Spain                | Ysios BioFund II Invierte                      | Venture Capital | Life Science     | <a href="http://www.ysioscapital.com">http://www.ysioscapital.com</a>                     |

## Guide Chapter 2

# Success stories of SMEs beneficiaries of InnovFin



### Success story of an SME beneficiary of an Innovation Loan granted by Bpifrance with InnovFin SMEG



**MUQUANS** proposes a new generation of ultra-high performance measurement instruments based on a unique and patented technology, which relies on the utilization of laser cooling, trapping and manipulation of neutral atoms.

**Localization:** Talence (Aquitaine)

**Creation:** 2011 by 3 PhDs in quantum physics (a spin-off from Institut d'Optique de Paris and Observatoire de Paris)

**Staff:** 15 in 2014 & 25 in 2017!

**First round with 3 VC in 2014:** EUR 1,7m raised

**Needed financing** to accelerate commercialization, consolidate technology and boost export.

MUQUANS is a French SME beneficiary of an Innovation Loan granted by Bpifrance including the guarantee of EIF with InnovFin SMEG.

Interview with Mr Bruno Desruelle, CEO of MUQUANS

### 1. Why did you choose Bpifrance?



*Our innovation is a first worldwide, a real breakthrough technology. The project is very capitalistic. It's really hard to develop the instrument and the commercializing process would take quite a long time before getting a ROI since it's a radical innovation. Therefore, we thought that going for a loan as a complement of our raising funds could be beneficial and help speeding the process.*

*We chose Bpifrance because it's a key player in SMEs and start-up funding. It's a reference for access to finance.*

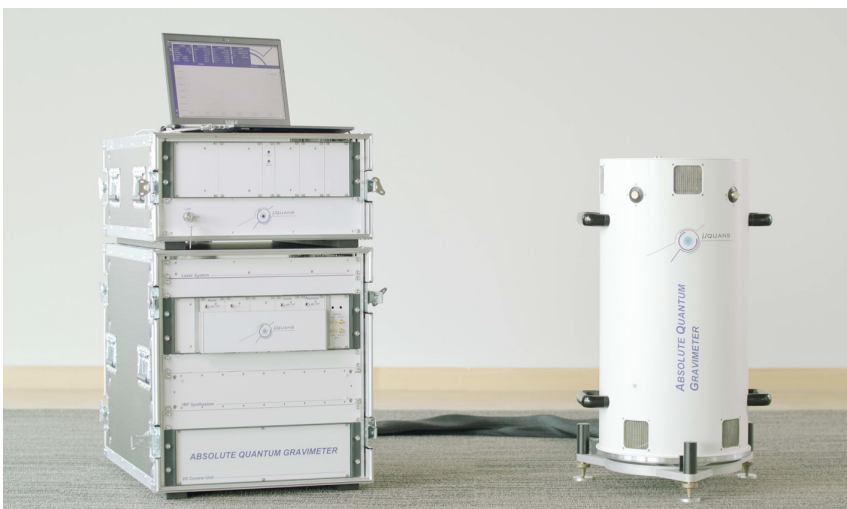
### 2. What was the aim of the loan? What were your financial needs? At which step was your project?

*We had different needs to fill: at first, we had to finalize our R&D and to adjust some small details in our prototype. We were lacking resources for commercial campaign (exhibitions, web-site, a salesperson, visuals & communication) and for our manufacturing process so as to structure our activity in order to anticipate the market demand.*

### 3. Did this loan allow you to achieve your goals? According to you, what are the strengths of this loan?

*The project has got into a global financial plan. The 200K euros loan was helpful in addition to the fundraising, the development of our commercial activity and some other grants.*

*It's already a good thing that this loan is existing! There's no banking institution that would take the risk in such a project. Bpifrance takes the risk without guarantee neither on the company's assets nor on the personal wealth. It's a relevant loan, much appreciated!*



### The innovFin Intermediary:

Bpifrance : <http://www.bpifrance.com/>



Bpifrance, is the French national promotional bank supporting companies. It's a subsidiary of the Caisse des Dépôts and of the State, trusted partner of entrepreneurs, supports companies from their start-up to their listing on the stock market, through credit, guarantees and equity. Bpifrance also provides support services and enhanced support for innovation, external growth and export in partnership with Business France.

Bpifrance offers companies a continuum of financing options for each key stage in their development, and a highly adaptive range of regionally-specific services.

Through its 47 regional offices (90% of decisions taken in the region), Bpifrance represents a true economic competitiveness service for entrepreneurs. It operates via the application of public policies driven by State and Regional governments in order to meet three objectives:

- Support business growth;
- Prepare the competitiveness of the future;
- Contribute to the development of an economic ecosystem that favours entrepreneurial activity.

Bpifrance operates for a broad spectrum of enterprises, all along their development. Its major activities are:

- Innovation funding,
- Guarantees on bank financing and venture capital,
- Investment and short-term credit for SME and midcap companies,
- Equity investment, directly or through partner funds, in SME, midcap and large companies.
- Export insurance

Bpifrance has designed and implemented 2 specific InnovFin loans: The Innovation Loan and The Seed Investment Loan integrating the guarantee InnovFin, since the first RSI agreement in 2013 followed by 3 agreements under the Juncker Plan in May 2015 increasing the lending capacity at each signature of new InnovFin contract. Bpifrance is also a major coinvestor partner working in collaboration with EIF to deploy equity resources towards innovative French SMEs.

*The Absolute Quantum Gravimeter (AQG)*

## Success story of an SME beneficiary of an Investment by Bullnet Capital, intermediary of InnovFin Equity



**Knowledge  
Development for  
Plastic  
Optical  
Fibres**

**KDPOF** develops state of the art microelectronics for high speed communications over large core Plastic Optical Fibre (POF). By providing a flexible, robust and affordable Gigabit networking technology that efficiently approaches the theoretical limit of the channel, KDPOF makes Gigabit communication over POF a reality.

develops state of the art microelectronics for high speed communications over large core Plastic Optical Fibre (POF). By providing a flexible, robust and affordable Gigabit networking technology that efficiently approaches the theoretical limit of the channel, KDPOF makes Gigabit communication over POF a reality

KDPOF technology has been selected as the standard of choice within IEEE and ETSI as our integrated circuits use advanced communications techniques to obtain the best performance from the plastic optical fibre channel.

**Localization:** Tres Cantos, (Madrid)

**Creation:** 2010, although the developments started in 2008.

**Founders:** Carlos Pardo Vidal. CEO. More than 20 years of experience in silicon development.

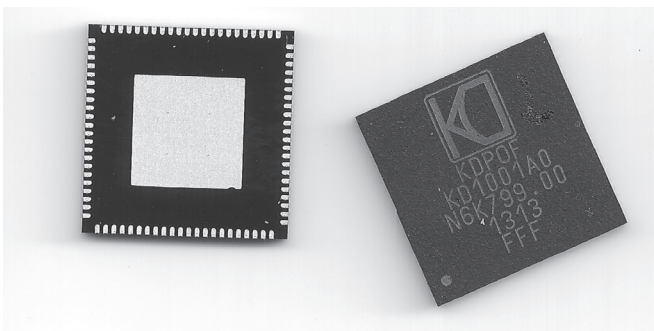
Ruben Pérez de Aranda. CTO. Leading edge telecommunication system development experience.

**Staff:** 18 R&D engineers and 8 staff personnel.

**Several rounds secured until 2017:** More than 14.5 M€ raised, partially under EU-backed funds. VC funds complemented with a H2020 SME instrument phase 2 at the beginning of 2015.

**Needed financing** to finalise product design & testing and adapting to different market segments.

Our technology provides 1 Gbps POF links for home, automotive and industrial networks that are otherwise limited to 100 Mbps (home networking and industry) or 150 Mbps (automotive).





KDPOF is a Spanish SME beneficiary of an investment done by Bullnet Capital, an intermediary of the InnovFIN Equity window.

Interview with Patricia Pérez, CFO in KDPOF

1. Why did you choose Bullnet? How did you reach them?



*Back in 2010, when our CEO was starting the company with the support of some friends & families investments, we assist a workshop at ASCRI (The Spanish Venture Capital & Private Equity Association). In that workshop we identified and met Bullnet: one of the unique Spanish funds highly focused in investing in “hardware”. After a number of interactions with them, they show interest in our technology and our business and started our negotiations. In this negotiation process, since the investment ticket was rather high, the investment was open to a second investor (Caixa Capital Risk) and we were able to raise the funds needed to boost our business plan under a milestone-based two years plan.*

2. Did you know it was backed by EU funds?

*We knew Bullnet had EIF as institutional investor but, sincerely, for us in that moment, it was not so relevant. Seeing it from perspective now, clearly such support has made the difference in the existence of this type of funds, which driving force is so technology focused.*

3. What was the aim of the investment? What were your financial needs? At which step was your project in that moment?

*At the time we were looking for the investment, we were working on our own chip design for the home & small offices market. The development of the design was done very slowly as our R&D team was dedicated only in part-time, we didn't have neither SW design licenses nor laboratory equipment required. Thanks to the investment obtained we were able to establish a fully assembled R&D department and with the time, make the “tape out” of our first chip.*

*With this investment we were able to complete our developments for the home & small office market. However, according to our business plan, this technology had also a very relevant market within the automotive domain worth to be explored. This has been approached with the H2020 SME instrument Phase 2. Thanks to this project, we have been able to adapt and test our chips with the automotive requirements, allowing us to take the next steps towards developing and standardizing a new technology for data communications in automobiles.*

4. Did this operation help you to achieve your goals? According to you, what are the strengths of this instrument?

*Of course, it is very useful, especially in markets where the needed investment is very high and the time to market not so quickly. In fact, funds as Bullnet are not so easy to find.*

*One of the strength of this instrument is that it operates at market conditions & complexity despite having a public support. At least from a company perspective, it does not add any extra burden to the operation, although, as said before, the visibility of the public support is very limited.*

### **The InnovFIN intermediary:**

Bullnet capital: <http://www.bullnetcapital.com/>

(All information obtained from the website)

Spanish independent Venture Capital Firm specialized in high technology start-ups within the software, electronic systems, microelectronics, photonics, and medical devices domain.



Helped to a great extent by the initial support of Bruno Entrecanales, financial sponsor of the Project, Bullnet launched its first fund in 2003, thanks to a series of private investors as well as the European Investment Fund. This initial fund had 18 million euros to invest in the launch of technological start-ups in Spain.

Since then, two more funds have followed, also with the support of EIF. The last one, Bullnet Capital III has been supported within the H2020 InnovFIN Equity facility.

We have three pillars that characterize our investment strategy:

- **Focus on technology**

There are plenty of investment opportunities out there, in companies that fall under the “technology” umbrella. Even if we limit ourselves to the Spanish ecosystem, we see hundreds of projects every year. However, many of them offer just incremental improvements from the technical side, or leverage on existing products to innovate only the business model. We discard all of these to focus only on companies with underlying breakthrough technology.

- **Sustainable competitive advantage**

Some companies are highly dependent on gaining traction quickly, to capture a relevant stake of the market before another competitor pushes them out. If another player with more money enters their market, they may be easily surpassed. Instead of relying on market timing and gaining traction quickly, we focus on companies with sustainable competitive advantages based on the company’s IP and know-how, that stands its ground 5 to 10 years into the future.

- **Hands-on approach**

Instead of diversifying too much and carry out an unattended management of our portfolio, we prefer to concentrate our efforts on relatively few initiatives, wisely selected, and commit a lot of effort in them (not only in the amount of money invested but also in management time). In this way, we follow a hands-on approach, helping the companies in their day to day operations, and become aware of potential problems before they happen.

# Guide Chapter 3

## Tips and tricks for the success



Are you a start-up/an innovative SME?

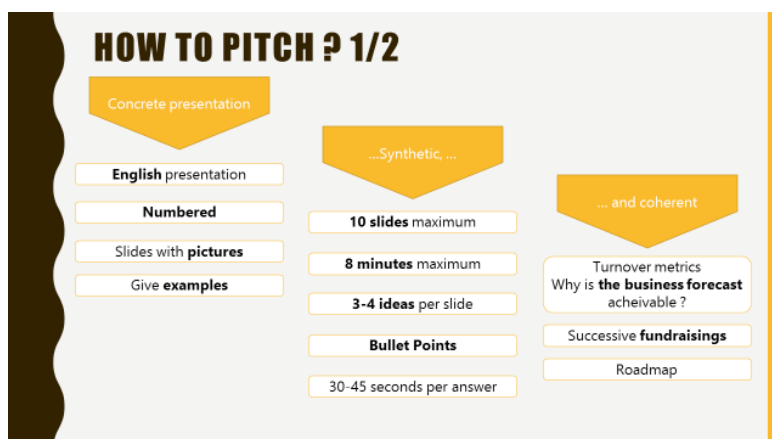
Do you want to make your project real?

Are you looking for investors to help you develop and grow your business?

Here are some tips and tricks to keep in mind!



First things first, here's a reminder of the elements and the tools that you should put in the spotlight while presenting in front of an investor or a potential financier.



More precisely, the presentation support of your project should spark the interest of the investors by expressing clearly the following items:



## HOW TO PITCH ? 2/2

1. Cover page
  - The company's logo and « tag-line »
2. Elevator Pitch
  - Activity, objective and fundraising
3. Market opportunity
  - Numbered elements about the market and its needs
4. Product offer
  - How do you respond to the market needs
5. Business model
  - How do you gain money ?
6. Legitimacy
  - Team, first commercial succes
7. Financial elements
  - Metrics, turnover, profitability
8. Fundraising
  - Concrete and numbered use of fundraising
9. Final slide
  - « Thank you for your attention » + Contact information

The success of your fundraising is the result of 3 main steps:

1. You should prepare your fundraising with the aim of demonstrating, and not presenting, the way you are going to succeed your commercial forecasts and how you will be moving from one step to another in manufacturing and commercializing. Communication tools such as a video pitch are highly recommended.
2. The investors profile should match the financial needs and the target of your fundraising.
3. The investors should help you progress via their networks and partners especially international ones.



## THE KEYS TO A SUCCESSFUL FUNDRAISING

- Prepare**  
Demonstrate with mesurable metrics, eg: how to get from 10 products to 100 or 1000 products !  
Communication, eg: video, presentation, pitch, flyers,...
- Target**  
Choose the investors or co-investors based on the project's progress, eg: the amount of the first fundraising is not the same for a second or a third one which may be linked to the achievements of milestones...
- Follow up**  
The investor should be chosen according to the coaching that he could provide and according to the project's evolution, eg: to help your business go international...

## About the Project

**ACCESS4SMES** is the network of Horizon 2020 National Contact Points (NCP) for Small Medium-sized Enterprises and Access to Risk Finance (SMEs, ARF). The overall objective is to facilitate transnational cooperation among NCPs for SMEs and ARF, upgrade their systemic knowledge and tools in order to raise their standard of support, identifying and sharing good practices across SME/Industry dedicated instruments in Horizon 2020 in close collaboration with other EU networks.

It has been funded by Horizon 2020 under Grant Agreement No 723120 with the specific objectives to: Improving NCP capacities to provide systemic knowledge (NCP Curriculum) to clients across different programmes and access to finance opportunities.

1. Assessing the impact of SME Instrument on beneficiaries with a view on capturing patterns on SMEs' growth strategy and value propositions.
2. Identifying key success factors for SME competitive proposals across different H2020 project thematic areas.
3. Spreading knowledge on access to risk finance opportunities under Horizon 2020, notably InnovFin products.
4. Enhancing the outreach of the Network through strategic communication and dissemination activities to maximize the impact of its activities, services and results.

### Find your Access to risk finance National Contact Point:

[http://ec.europa.eu/research/participants/portal/desktop/en/support/national\\_contact\\_points.html](http://ec.europa.eu/research/participants/portal/desktop/en/support/national_contact_points.html)

## Contacts

[www.access4smes.eu](http://www.access4smes.eu)

