



This project is co-financed by the
European Union and the Republic of Turkey

Bu proje Avrupa Birliđi ve Türkiye Cumhuriyeti tarafından
finanse edilmektedir



Technical Assistance for Turkey in Horizon 2020 Phase-II
EuropeAid/139098/IH/SER/TR

Turkey in Horizon 2020 II

Information Multipliers Training (Webinar) –Horizon 2020 Green Deal Call

Grigoris Chatzikostas

Training Coordinator



REPUBLIC OF TURKEY
MINISTRY OF INDUSTRY
AND TECHNOLOGY



COMPETITIVE
SECTORS
PROGRAMME



TÜBİTAK

Grigoris Chatzikostas

Training Coordinator in "Turkey in Horizon 2020 – Phase II" project



M.Sc. in Finance

- “ Managing multi-national and cross-sectoral consortia, **writing proposals for EU funding and coordinating large-scale projects** that promote tech-enabled entrepreneurship in various sectors such as agrifood, ICT, environment, health, manufacturing, entrepreneurship etc.
- “ **Training, coaching, mentoring and supporting researchers and innovators** on issues related to proposal writing for EU funding opportunities, project management of EU funded projects, IPR management and entrepreneurship, in countries such as Greece, Serbia, Lithuania, Bulgaria, Turkey, Tunisia, Poland etc

17yrs

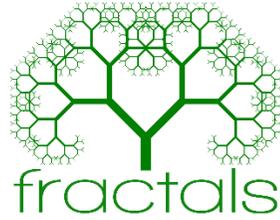
Experience in EU
projects



1st position in
Serbia in attracting
H2020 funds

100+ m€

Total value of
projects managed



POLICY CONTEXT



PREPARING THE GROUND



NON - BANKABILITY



FINANCIAL TABLES

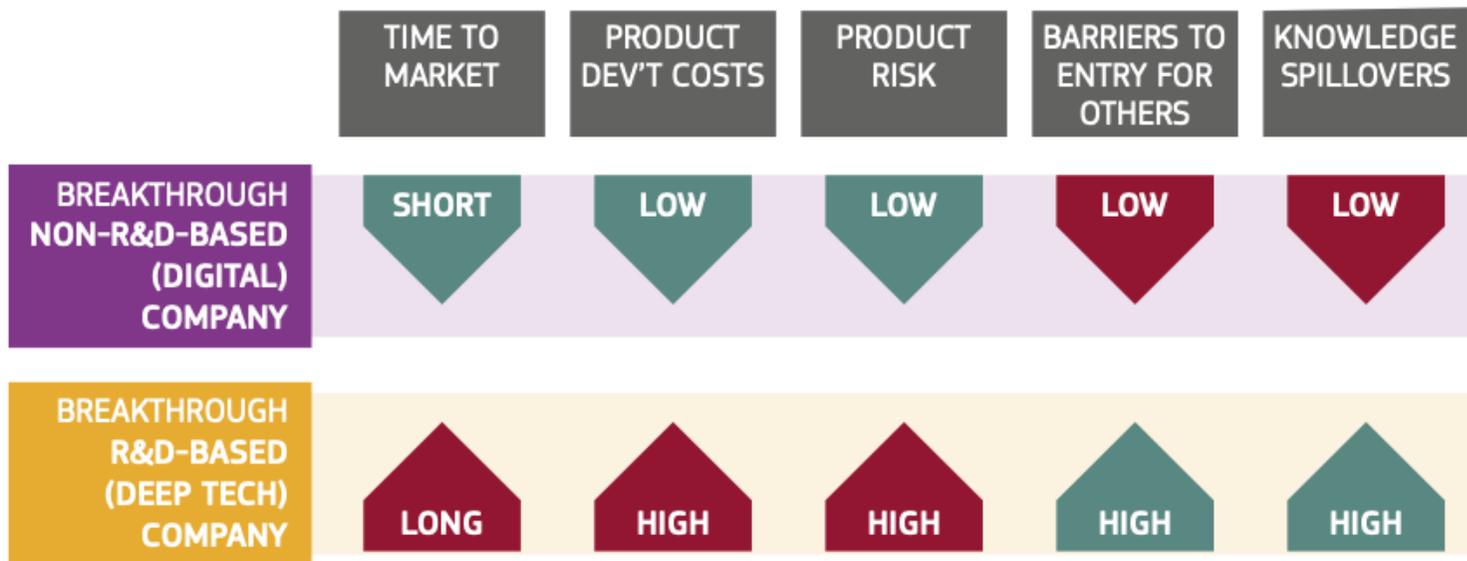


BLENDED FINANCE



Q/A SESSION





 = advantage  = disadvantage

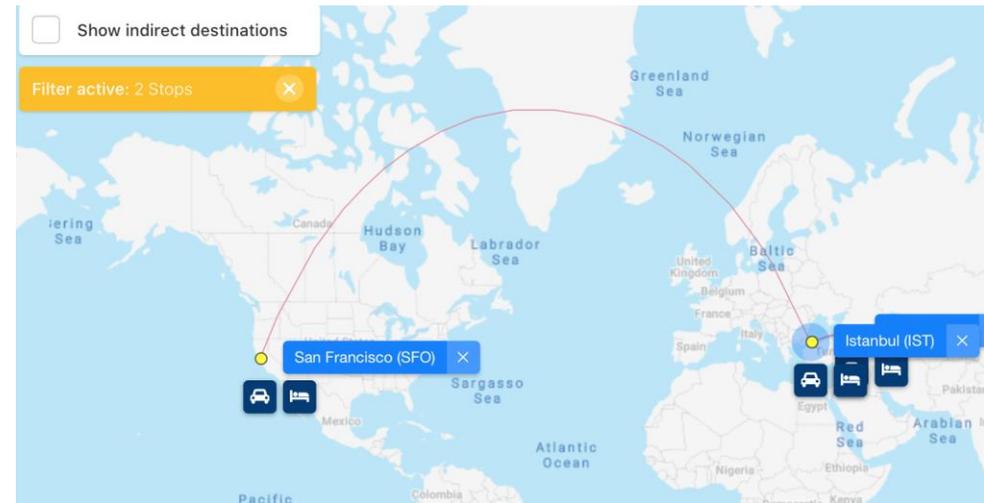
It's time for Europe to act **FAST!**

Deep tech: based on substantial scientific advances and high-tech engineering innovation, such as (indicatively) : advanced materials, artificial intelligence, biotechnology, blockchain, robotics, photonics, electronics, and quantum computing

1. Funding. — Breakthrough innovation, in particular deep tech, requires large investments, over a significant time period. This is the kind of finance that is missing in Europe and presents a systemic failure: venture capital is too small, fragmented, short term, concentrated on digital, not enough oriented towards deep-tech and lacking critical mass for patient capital. Bank lending, Europe's predominant investment channel and inherently risk averse, is not adept at supporting breakthrough and deep-tech innovation. Public support for innovation – including EU support - is perceived as complex, slow, designed for R&D and fails to bridge the gap to private investment.



3. Scale. — Europe needs continental scale to compete at global level. It cannot compete with the US or China on the basis of national and local initiatives. European start-ups should not be forced to relocate to the US to access larger financing rounds.



Scalability: A company's ability to maintain or improve **profit margins** while **sales volumes** increase.

HOW TO DEMONSTRATE SCALABILITY?

- Scalable business model
- Motivated and capable team
- Substantial demand
- Favorable market conditions
- Well defined financial needs
- Realistic financial projections



DRIVERS OF SCALING

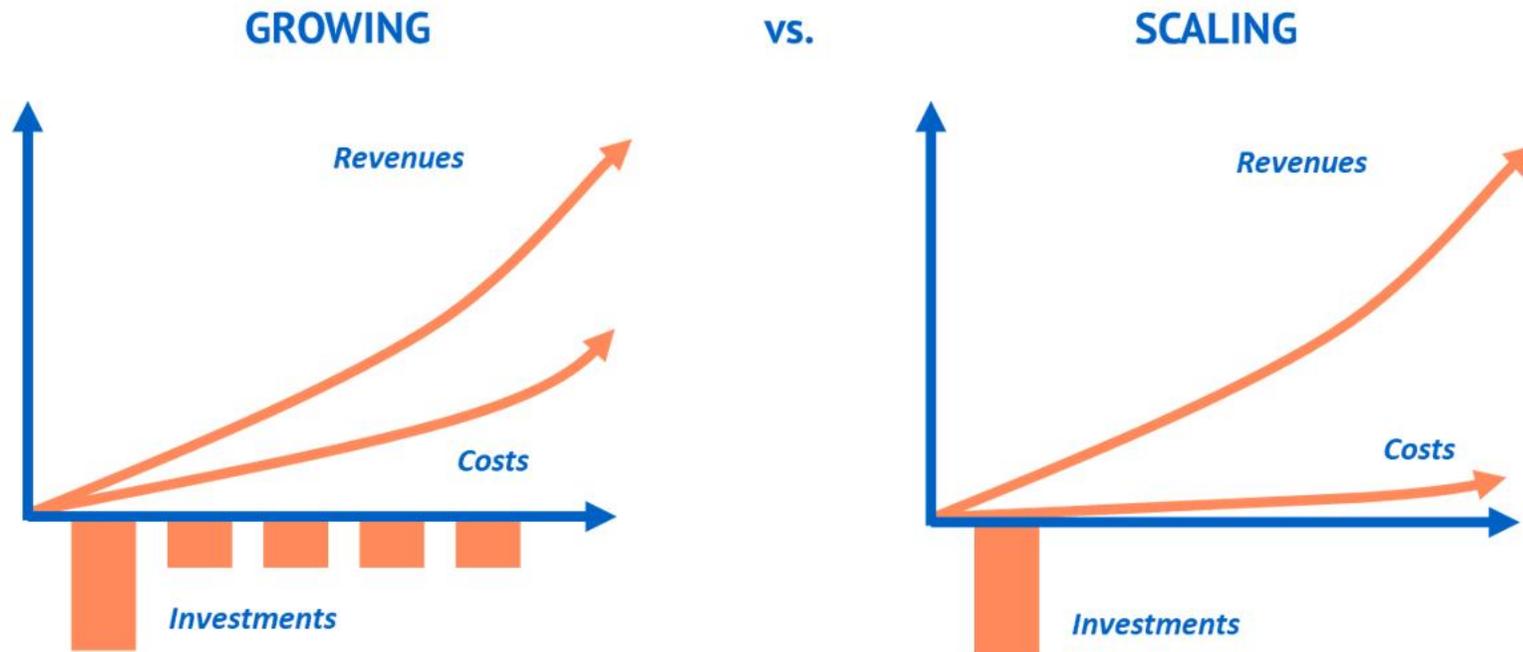
Light Asset Base

Automated Process

Low-cost labor

Replication potential

Scalability as such refers to the degree to which revenues can be increased without proportionally increasing investments in production or infrastructure. In other words, scalability is about increasing productivity, **creating more output with the same input.**



Scalability : you get more out than you put in as you grow





HEAD OF SALES

- ✓ To provide data about current sales
- ✓ To prepare the budget about marketing/ distribution etc
- ✓ To prepare sales projections for the future



ACCOUNTANT

- ✓ To manage the procedure
- ✓ To provide all documents and fill-in financial tables
- ✓ To transform sales projections into future financial statements
- ✓ To fill in the financial tables related to project budget according to strategic planning
- ✓ To perform a final quality control on the financial data before the submission



CEO

- ✓ To monitor the procedure
- ✓ To ensure that sales projections and future financial statements are consistent with the business model and the resources of the company
- ✓ To plan the budget of the project
- ✓ To make informed strategic decisions regarding the use of "Blended Finance" option

PAST TWO YEARS

- The Balance Sheet**, which shows the assets (i.e. property and rights) held by the company, and the liabilities, which are the obligations undertaken by the company and its resources, also known as “equity”.
- The Profit and Loss Account** , which has two columns: the debit, listing all costs and expenses for the year, and the credit, showing the revenues. The difference between both is the profit or loss for the year.
- The Statement of Changes in Equity** informs of any changes in equity caused by:
 - The total balance of recognized income and expense.
 - The changes in equity caused by transactions with company shareholders or owners when acting in such capacity.
 - Any other changes in equity. o Information must also be provided on any changes in equity due to changes in accounting criteria or corrections of errors.
- The Annual Report**, whose purpose is to complete, expand on or comment upon the information in the balance sheet and in the profit and loss account.

 Make sure you use accurate data



RISK vs POTENTIAL

If the level of **risk** is high but **so is the potential**, the project will be deemed non-bankable and therefore can be supported by the EIC Fund.

It is expected that the financing granted by the Enhanced EIC Pilot will **decrease the level of risk**, hence attract co-investors that would otherwise abstain.

WHY IS THE PROJECT NON-BANKABLE?

- Lack of attractiveness from business perspective? ⊖
- Present shareholding structure being a constraint? ⊖
- Result of a systematic risk capital market gap? ✓

Industrial Automation



- Programmable logic controllers (PLC), Motion Control (servo), Operator Panels and industrial software (SCADA Supervisory Control, Energy Management, Statistical Process Control, Recipe Management, Production Management).
- SIEMENS: Programmable logic controllers (PLC), Motion Control (servo) and Operator Panels.
- MITSUBISHI: Programmable logic controllers (PLC), Motion Control (servo) and Operator Panels.
- OMRON: Programmable logic controllers (PLC), Motion Control (servo) and Operator Panels.
- GE FANUC: Programmable logic controllers (PLC), Motion Control (servo) and Operator Panels.
- SCHNEIDER: Programmable logic controllers (PLC), Motion Control (servo) and Operator Panels.



Services

- Card Repair any PLC card
- Procurement of materials whose production has stopped (is obsolete) and not supplied by the manufacturer due to the large stock of our suppliers.
- Conducting seminars PLC, Operator Panels and Motion Control of any PLC company
- Technical support automation systems
- Study, design and implementation of automation projects and modernization of existing facilities to optimize production.
- Experience in implementing projects in refinery units and gas production in Greece and abroad.



- Technology?
- Innovation?
- Global ambitions?
- Scale-up potential?
- Proprietary technology?



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STATE-OF-THE-ART ROBOTIC SORTING

Compact State-of-The-Art Robotic Sex Sorting module based on deep learning technology to provide an affordable, industrial solution and to support global efforts for fighting mosquito born disease in scale.



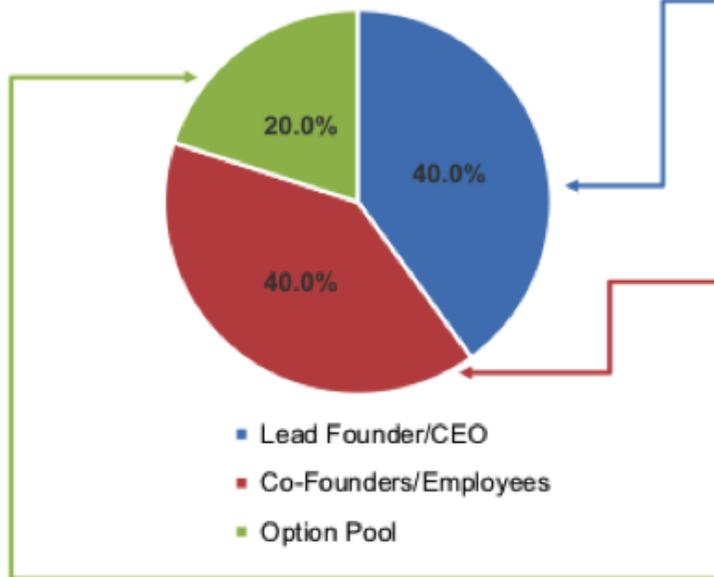
SENECIO AI BASED MOSQUITO SEX SORTING MODULE

Position	Ownership %	Explanation
CEO/ co-founder	20%	He established and runs the company
CTO/ co-founder	20%	He is leading all technical developments
Researcher 1	10%	They authored altogether with co-founders the scientific papers which led to the establishment of the company – they are supporting the company mentally, but they are very busy with academic duties to work on a day-to-day basis
Researcher 2	10%	
Researcher 3	10%	
Professor	15%	
Software engineer - freelancer	10%	He supported in the initial development of the platform and he accepted equity as payment
Uncle of the founder	5%	He hosted the company in his premises for two years and he accepted equity instead of rent



INITIAL FOUNDER SPLIT

Example Initial Cap Table



- Initial CEOs/Lead Founders typically get the largest chunk of ownership
- These Founders are day-to-day
- Initial Equity ranges from 30-60% of the company
- Co-Founders and key employees includes founding scientists, C-level execs, VP, and any initial employee
- Investors will typically like to see an initial team in place before investing in a company
- Initial option pools are set up to incentivize new hires
- A company typically refreshes their option pool at every financing round and targets 15-25%

Company: HYDROGENIOUS TECHNOLOGIES
GMBH

Project: Hydrogenlogistics: Enabling the
hydrogen economy

Total budget: 3.260.269 €

EU Contribution: 2.282.188 €

Start date: 01/02/2017

End date: 30/01/2019



**SOLID TECHNICAL SOLUTION,
REALISTIC BUSINESS MODEL**



- Hydrogenious' **patented technology** enables safe and cost-efficient high-density hydrogen storage in an easy-to-handle oil, thus eliminating the need for pressurized tanks for hydrogen storage and transportation.
- LOHC will **reduce the operating cost of hydrogen transport by up to 80%** and open up new business opportunities for users.
- **Initially, Hydrogenious plans to focus on the market for hydrogen logistics, followed by the market for mobility refueling solutions** (fuel cell vehicles).
- Hydrogenious' technology has already attracted strong interest from a number of potential customers, including **sales contracts worth ~1.5 Mio. € already signed**.
- The goals of the Phase II project are to (i) develop a highly dynamic, fully automated hydrogen release system (the "ReleaseBOX"), (ii) to reduce price, complexity and delivery time and (iii) to prepare commercial roll-out in key EU countries.
- Hydrogenious is **targeting revenues in excess of €90m, with 235 employees, three years after completion of the project**. The LOHC technology can be an important enabler for a strong European hydrogen economy and has the potential to create many thousands of indirect jobs.



- WHY VCS FAIL?
- WHY BANKS FAIL?
- WHY GRANT SCHEMES FAIL?

- Why it is not possible for your company to raise the required financial resources from private investors or other sources:

Reminder: *“Venture capital is too small, fragmented, short term, concentrated on digital, not enough oriented towards deep-tech and lacking critical mass for patient capital. **Bank lending**, Europe’s predominant investment channel and inherently risk averse, is not adept at supporting breakthrough and deep-tech innovation. **Public support for innovation** – including EU support - is perceived as complex, slow, designed for R&D and fails to bridge the gap to private investment.” Use relevant facts and data for Turkey!*

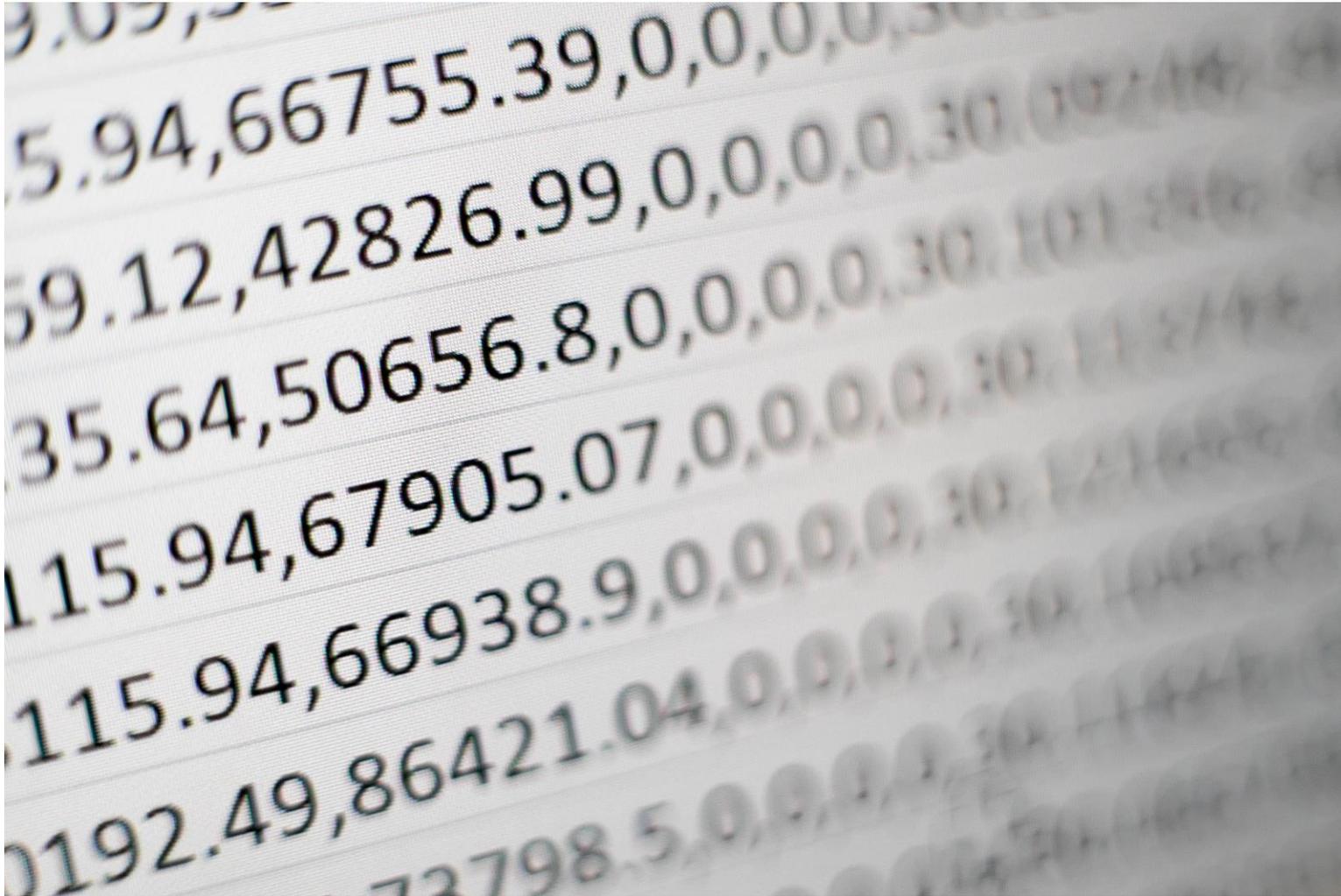
- Description of your company’s track record and current efforts (to complement the information provided in Table 3 of Annex 4).

Demonstrate that you tried all three above and more. E.g. Corporate investors, other? Use Annexes to provide evidence (and make clear reference)

- What would the impact be if you do not receive financial support from the EIC pilot?

?

FOMO (brain drain)

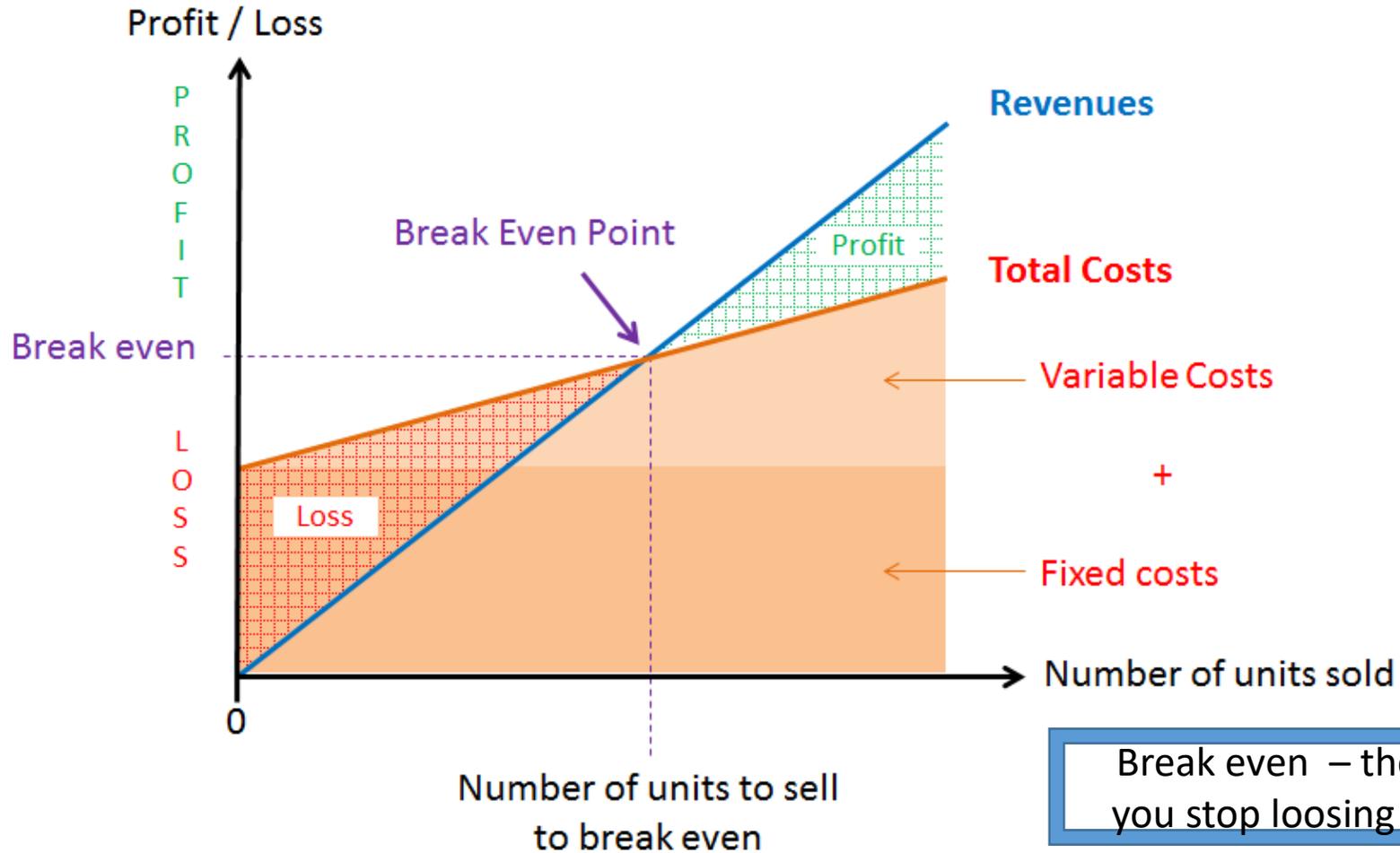


The image shows a close-up, slightly blurred view of a financial table. The table contains several rows of numerical data, likely representing financial figures in Turkish Lira (TL). The numbers are arranged in columns, with some values being significantly larger than others, suggesting a mix of different categories or units. The text is white on a dark background, and the overall appearance is that of a printed document or a screen capture of a report.

Assets are property, rights and other resources which are financially under the company's control and which result from past events. Assets are expected to generate profit or financial returns for the company in the future.

Liabilities are the current obligations resulting from past events. In order to settle a liability, the company is expected to dispose of some resources which may generate profit or financial returns for the company in the future. For these purposes, provisions are included in this category.

Finally, there is **net equity**, which is the remaining assets of the company, once liabilities have been deducted. Included are all contributions made, whether at the time of incorporation or later, by its shareholders or owners, which are not considered liabilities, as well as the profit (or loss) carried forward from previous years and any other variations affecting it.



WHAT



Past and future financial
performance of the
company

Project Budget

WHERE



Annex 4 - Financial and corporate
information Excel file

Section 3- Resources to be committed

- Estimation of the total financial resources
- Required timing of financial needs to develop your innovation and to reach the break-even point

FINANCIAL TABLES

- Simplified financial information on revenues, expenditures, cash flow and balance sheet;
- Company up-to-date financial data relating to cash and debt;
- Summary information about company financial history;
- Company ownership and capital structure (Blended applicants only);
- Information about current financing round.

Table 1 - Simplified financials, k€ - Please fill in with figures for your company. The figures below are illustrative. You may use the formulas provided to accelerate data input

Note. Please pay attention while filling the tables when relevant to use negative values for the formulas to work properly (for example: expenses, taxes, debt etc.).

P&L	Actual (if applicable)				Forecast					
	N-2	N-1	N (explain which year)	N+1	N+2	N+3	N+4	N+5	N+6	
Revenues	0	0	0	0	0	0	0	0	0	
Gross Margin	0	0	0	0	0	0	0	0	0	
Selling, General and Administrative expenses	0	0	0	0	0	0	0	0	0	
R&D expenses	0	0	0	0	0	0	0	0	0	
Other operational expenses	0	0	0	0	0	0	0	0	0	
EBITDA	0	0	0	0	0	0	0	0	0	
Interest	0	0	0	0	0	0	0	0	0	
Other revenues/expenses (including grants)	0	0	0	0	0	0	0	0	0	
EBT	0	0	0	0	0	0	0	0	0	
Taxes	0	0	0	0	0	0	0	0	0	
Net Income	0	0	0	0	0	0	0	0	0	
CASHFLOWS	N-2	N-1	N	N+1	N+2	N+3	N+4	N+5	N+6	
Cashflows from operating activities (net)	0	0	0	0	0	0	0	0	0	
Cashflows from investing activities (net)	0	0	0	0	0	0	0	0	0	
Cashflows from financing activities (net)	0	0	0	0	0	0	0	0	0	
<i>of which</i>										
Proceeds from grants	0	0	0	0	0	0	0	0	0	
Proceeds from issuance of debt	0	0	0	0	0	0	0	0	0	
Repayment of debt	0	0	0	0	0	0	0	0	0	
Proceeds from issuance of equity	0	0	0	0	0	0	0	0	0	
Dividends	0	0	0	0	0	0	0	0	0	
Net increase/decrease in cash and cash equivalent	0	0	0	0	0	0	0	0	0	
BALANCE SHEET	N-2	N-1	N	N+1						
Total assets	0	0	0	0						
<i>of which</i>										
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	
Inventory	0	0	0	0	0	0	0	0	0	
Accounts receivable	0	0	0	0	0	0	0	0	0	
Property and Equipment	0	0	0	0	0	0	0	0	0	
Intangible assets	0	0	0	0	0	0	0	0	0	
Other assets	0	0	0	0	0	0	0	0	0	
Outstanding liabilities	0	0	0	0						
<i>of which</i>										
Accounts payable	0	0	0	0	0	0	0	0	0	
Short-term debt	0	0	0	0	0	0	0	0	0	
Long-term debt	0	0	0	0	0	0	0	0	0	
Other liabilities	0	0	0	0	0	0	0	0	0	
Equity	0	0	0	0						
<i>of which</i>										
Share capital	0	0	0	0	0	0	0	0	0	
Retained Earnings	0	0	0	0	0	0	0	0	0	
Other equity	0	0	0	0	0	0	0	0	0	

... CONTINUED FROM PREVIOUS TABLE

Business metrics and ratios (please do not change)	N-2	N-1	N	N+1	N+2	N+3	N+4	N+5	N+6
Cash and cash equivalents	0	0	0	0	0	0	0	0	0
Total debt	0	0	0	0	0	0	0	0	0
Total Equity	0	0	0	0	0	0	0	0	0
Gross Margin, %	#DIV/0!								
EBITDA Margin, %	#DIV/0!								
Debt-to-Equity ratio	#DIV/0!								
Return on Equity, %	#DIV/0!								
Return on Capital Employed, %	#DIV/0!								
Break-even (operating cashflows)	N	N	N	N	N	N	N	N	N
Cross-check: is the Balance Sheet balanced?	0	0	0	0	0	0	0	0	0

- ✓ Ambitious but realistic
- ✓ When to have profits?
- ✓ What if I have no sales yet?

Table 2 - Company up-to-date financial data

Information item	Value, k€	Optional comment box
External Debt as of application date		
Total cash balance as of application date		
Cash burn per month (as per last month)		

$$\text{Runaway in months} = \frac{\text{Total cash balance}}{\text{Cash burn per month}}$$

Min. 9-12 months

Table 3 - Company financing history

Please, specify all the previous funding and equity history

Date	Entities providing financing	Public or private	Financing type (e.g. equity, convertible loan, debt, grant)	Amount, k€	Implied valuation, k€ (if relevant)	Comments
			equity			
			convertible loan			
			debt			
			grant			
			other (specify...)			
			Total	0		

Table 4 - Company ownership and capital structure (Blended applicants only)

Shareholder name	Type	Optional comment on investor type	Amount of shares fully diluted	Ownership % Fully-Diluted, as of application date	% of voting rights, as of application date	Forecasted ownership % Fully-Diluted, 12 months from application date	Forecasted % of voting rights, 12 months from application date
	founder		0	0	0	0	0
	management team		0	0	0	0	0
	friends and family		0	0	0	0	0
	business angel		0	0	0	0	0
	family office (non-institutional investor)		0	0	0	0	0
	strategic/corporate investor		0	0	0	0	0
	venture capital fund		0	0	0	0	0
	private equity fund		0	0	0	0	0
	other institutional investor		0	0	0	0	0
	public investor		0	0	0	0	0
	employees stock option plan		0	0	0	0	0
	other		0	0	0	0	0
		Total	0	0	0	0	0

Table 5 - Current financing round

Information item	Value, k€	Optional comment box
Total financing needed	0	
<i>Grant amount requested</i>		
<i>Equity amount requested (if applicable)</i>		
<i>Other financing - specify</i>		
Suggested post-money valuation		

Post-money valuation is a company's estimated worth after outside financing and/or capital injections are added to its balance sheet.

TYPE	WHAT	WHO	RATE
Research and innovation actions	Research projects tackling clearly defined challenges. May lead to the development of new knowledge or a new technology.	Consortia	100% of eligible costs
Innovation Actions	Closer-to-the-market activities: prototyping, testing, demonstrating, piloting, scaling-up etc. New or improved products or services .	Consortia	70% of eligible costs
Coordination and support actions	Funding covers the coordination and networking of research and innovation projects, programmes and policies. Funding for research and innovation per se is covered elsewhere.	Single entities or consortia	100%
EIC Accelerator (SME Instrument)	Innovative, high-flying small or medium-sized business with European and global ambitions	Single Entity	70%
EIC Pathfinder	Collaborative, inter-disciplinary research and innovation on science-inspired and radically new future technologies.	Consortia	100%
Fast Track to Innovation (FTI)	Quick market uptake of new technologies	Consortia (3-5)	70% of eligible costs (100% for non-profit legal entities)

- **Direct eligible:** Single funding rate:
 - **70% of eligible costs** for IA **Indirect eligible costs** (e.g. administration, communication and infrastructures costs, office supplies) are reimbursed with a **25% flat rate** of the direct eligible costs.

- A grant is not the lottery.
You will need to contribute to the budget by 30%.



- Costs have to be:
 - Actual
 - Real (not estimated)
 - Borne by beneficiary
 - During project duration
 - Estimated in the budget
 - identifiable and verifiable
 - Compliant with national laws on taxes, labour and social security
 - Reasonable & justified

ELIGIBLE COSTS	INELIGIBLE COSTS
<p>DIRECT (Actual)</p> <ul style="list-style-type: none"> • Personnel costs (incl. employer's costs) • Travel • Equipment (depreciation rules apply) • Goods, works and services • Subcontracting <p>INDIRECT (25% on all Direct Exp. Subcontracting)</p> <ul style="list-style-type: none"> • Overhead 	<ul style="list-style-type: none"> • Deductible VAT (Note: non deductible/non identifiable VAT is eligible) • Losses due to fluctuation of exchange rates • Interest owed • Provisions for future losses or debts

What are the resources, equipment and facilities required for the project and how you will access them?

HOLISTIC overall budget is 1.024.375 € and the total EU contribution is 717.062,50 €. The breakdown of this budget per WP and cost category is given in the table below.

Table 3.4 a: Breakdown of the project budget

	WP1	WP1	WP3	WP4	Totals
Person months	36,00	55,00	76,00	13,00	180,00
Personnel costs	144.000	220.000	304.000	52.000	720.000
Travel cost	15.000	3.000	3.000	10.000	31.000
Other	34.000	7.000	17.500	10.000	68.500
Other direct costs	49.000	10.000	20.500	20.000	99.500
Indirect costs	48.250	57.500	81.125	18.000	204.875
Total budget	241.250	287.500	405.625	90.000	1.024.375
Requested EC contribution	168.875	201.250	283.938	63.000	717.062,50

Only if the sum of the costs for 'travel', 'equipment' and 'goods and services' **exceeds 15% of the personnel costs.**

	Cost (€)	Justification
Travel		
Equipment		
Other goods and services		
Total		

If you plan to subcontract any tasks:

- **Describe and justify** the tasks to be subcontracted and the amount.
- Explain the measures to comply with the **best value for money principle**

Task(s)	Estimated amount	Measures to comply with best value for money (eg. criteria used amount for the selection of the subcontractors)

Subcontracting may be an essential part of the implementation of the project, **but should not be a disproportionate part** of the total estimated eligible costs.

Linked third party is an affiliated entity or has a legal link to a participant implying a collaboration not limited to the action.

Contributions in kind provided by third parties: Third parties contributing in kind make available some of their resources to a beneficiary without this being their economic activity (i.e. seconding personnel, contributing equipment, infrastructure or other assets, or other goods and services).

- Employee costs (or equivalent)
 - basic remuneration = basic salary (*incl. Salary, social Security, Taxes, other*) + complements (*13th Salary, night shifts, hazardous work complement, variable*)
 - for non-profit legal entities: additional remuneration ('bonus payments')
- natural persons working under a direct contract
- personnel seconded by a third party
- 'beneficiaries that are SMEs for their owners (or natural persons) not receiving a salary'

- Transportation
 - Number of Trips
 - Destinations
 - Duration of travels
 - Number of people traveling
- Flat Subsistence Allowance
 - *eligible if in line with beneficiary's usual practices on travel*

See: http://ec.europa.eu/research/participants/data/ref/fp7/89566/flat-rates-subsistence_en.pdf

- Always verify specific rules
- Depreciation (not full cost)
- According to National Legislation

Example:

- Every item has an economic life (e.g. 4 years according to National Legislation in Croatia)
- After 4 years its value = 0
- Losing 25% of its value every year
- If the project lasts 4 years you can charge the full cost

- Short Consultancies
- Catering
- Printing services
- Etc.

Some times these can go to subcontracting

ALL MUST BE DETAILED AND JUSTIFIED

- Always check specific rules
- Business Conditions
- Only small amount
($<15-20\%$ of budget)
- Avoid it if you can

ANNEX 1:

Description of Tasks, Costs Estimation, Need justification

ANNEX 2: Estimated Costs

EXAMPLES: *Contract for part of the research //*
Contract for Test and analysis of a new product

- Necessary for every functioning organisation
- Connected to productive personnel
 - Utilities
 - Office costs
 - Communications
- How to determine the % ?
 - FLAT 25% of ALL Direct costs (*except Subcontracting*)
- They do NOT have to be justified

- At reporting costs may differ from estimated eligible costs.
- Budget Transfer between Beneficiaries or between budget categories without Amendment

If incurred costs < estimated, difference to another partner or budget category.

If significant change in planned work, amendment is needed

- Start on time ✓
- All cost items ✓
- Realistic estimations ✓
- Get CEO approval ✓
- Wrong assumptions lead to problems ⊘
- Poor planning creates uncertainty ⊘

<https://th2020.zendesk.com/hc/en-us/articles/209317309-H2020-Budget-Preparation>

Practical example



Grants will finance activities from TRL 6-8. **Activities above TRL 8 will be financed only through blended finance.** Applicants will be asked to indicate if they want blended finance and the amount requested for equity. The **maximum is € 15 million** for equity investment.

⚠ HE Proposal Reg. Art2.24

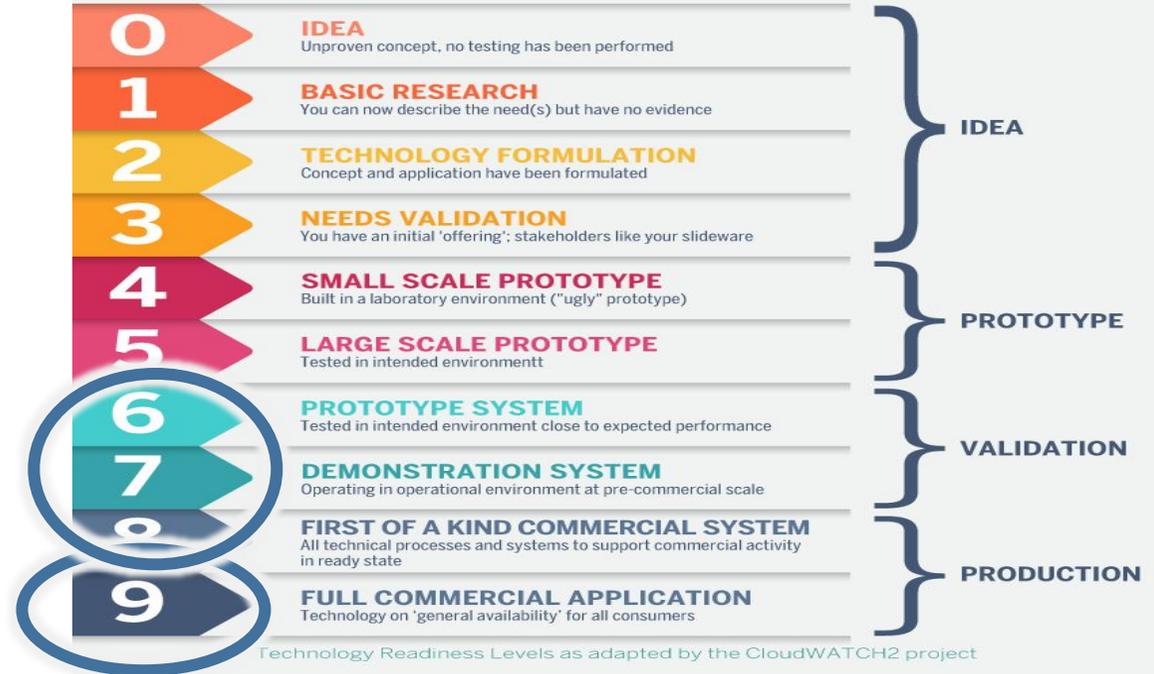
'Blending operation' means actions supported by the EU budget combining non-repayable forms of support and/or financial instruments from the EU budget with repayable forms of support.

The Accelerator will provide support in the form of EIC blended finance, a mix of:

- Grant OR reimbursable advance, to cover innovation activities;
- Support for investment in equity or other repayable forms, so as to bridge innovation activities with effective market deployment, including scale-up.**

MEASURE YOUR TECHNOLOGY READINESS LEVELS - TRL

How technology ready is your service/product?



Find out more about CloudWATCH2 TRL: http://bit.ly/TRL_MRL



www.cloudwatchhub.eu

CloudWATCH2 has received funding from the European Union's Horizon 2020 programme DG CONNECT Software & Services, Cloud, Contract No. 644748

EIC Accelerator grant
Blended finance

- ❑ **Grant** – (up to TRL8) EUR 0.5 million up to EUR 2.5 million
- ❑ **Equity / Quasi Equity** (up to TRL8) - up to EUR 15 million (average ticket is expected to range from EUR 0.5 million to EUR 5 million per company)

Example 1

Activities	TRL	SOURCE	AMMOUNT
Platform validation with end-users	6	GRANT	300 kEUR
UX/UI fine-tuning	8	GRANT	600 kEUR
Establishing offices in US and LATAM	9	B.F.	3 mEUR

Example 2

Activities	TRL	SOURCE	AMMOUNT
Validating production process	6	GRANT	600 kEUR
End-product final specifications	7	GRANT	250 kEUR
Building large scale facilities	9	B.F.	8 mEUR

Describe what the requested equity component will be **used for** and how much **equity share** the company plans to **give in return**.

Describe/comment how **the valuation** of the company has developed over time (e.g. financing rounds) and the rationale behind it - relevant **metrics/milestones achieved** from start to present.

Explain the **company ownership and capital structure** presented in Table 4 of Annex 4. If there are different classes of shares, describe why.

What **exit strategy** do you expect, including the timeline and **expected return on investment**? Explain the assumptions.

Proposals granted 'Go' decision will be directed to the EIC Fund that will initiate the investment process as follows. It will:

1. Conduct a **pre-due diligence** (checking integrity & reputation, early risk / warning detection) and coordinate with the European Commission. First discussions with founders may already take place at this stage.
2. Invite the founder to a **due diligence** (in-depth check of the team, company ownership structure, the IPR, legal terms and financials will take place).
3. In parallel to step 2 the EIC Fund will conduct a **market test actively seeking for co-investors**.
4. Following step 2 & 3, the EIC Fund will **issue a proposal addressed to the EIC Fund Investment Committee** with a recommendation to invest (or not).
5. Upon positive outcome of the EIC Fund Investment Committee, the founder and the investment adviser of the EIC Fund will enter into **legal negotiations** to structure a contractual agreement.
6. The final agreement will be presented as a recommendation to the **Board of Directors of the EIC Fund that will make a decision on the investment and sign the agreement**.



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Teşekkür ederim!

Thank you!



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