



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

## SME Webinar 6

### Reflective Workshop on Accelerator Bids

*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

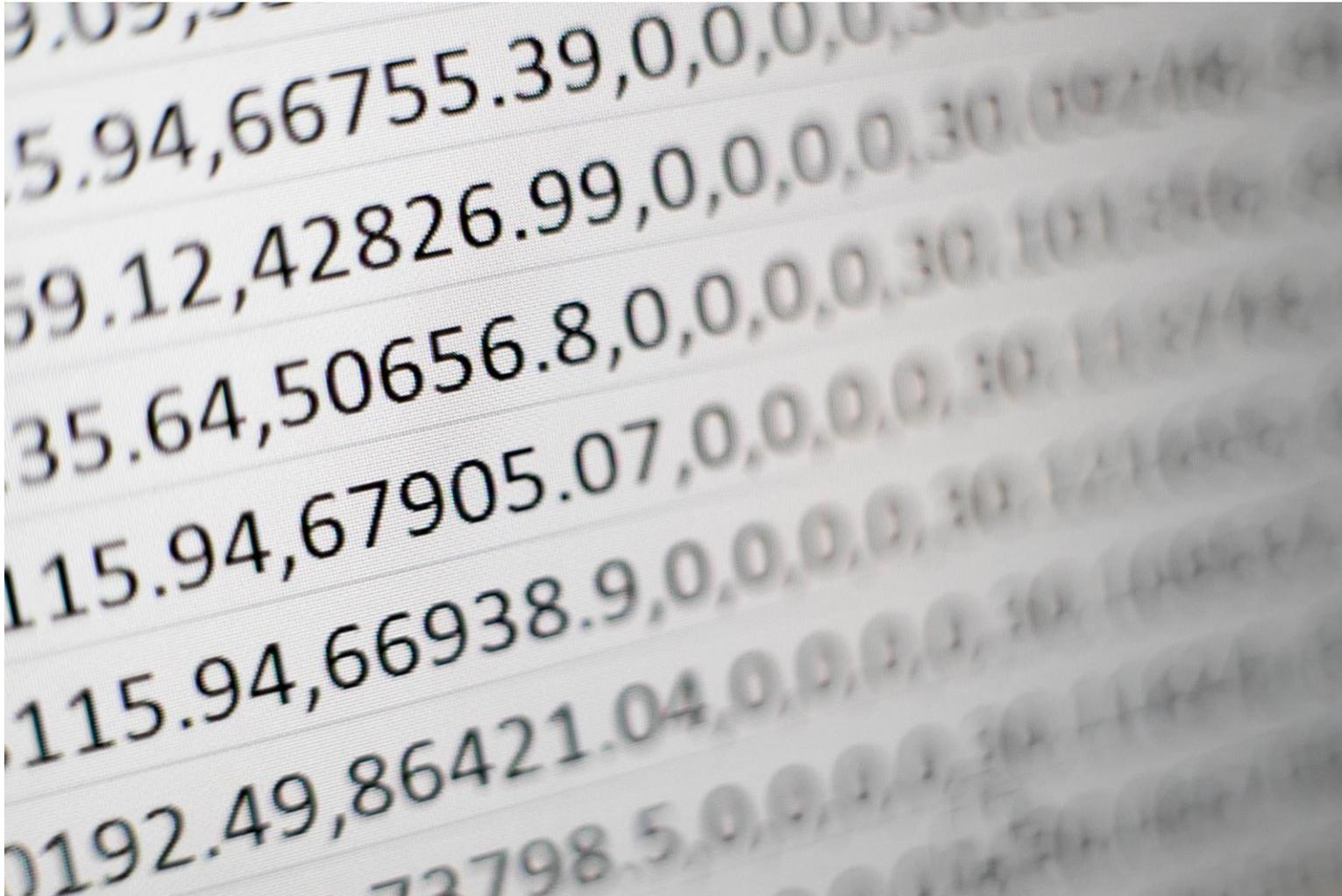
Experience in EU  
projects



1st position in  
Serbia in attracting  
H2020 funds

100+ m€

Total value of  
projects managed



- Lack of readiness to provide financial data, no clear responsibilities
- Technical co-founders with limited familiarization with financial/  
accounting issues
- Unrealistic financial projections – too modest, no “hockey stick”
- Unrealistic financial projections – too ambitious, not taking into account  
market size
- Unrealistic budget – too low/ too modest
- Unrealistic budget – too high/ not relevant to the project scope (it is not  
about operational expenses)
- High costs on subcontracting



## 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

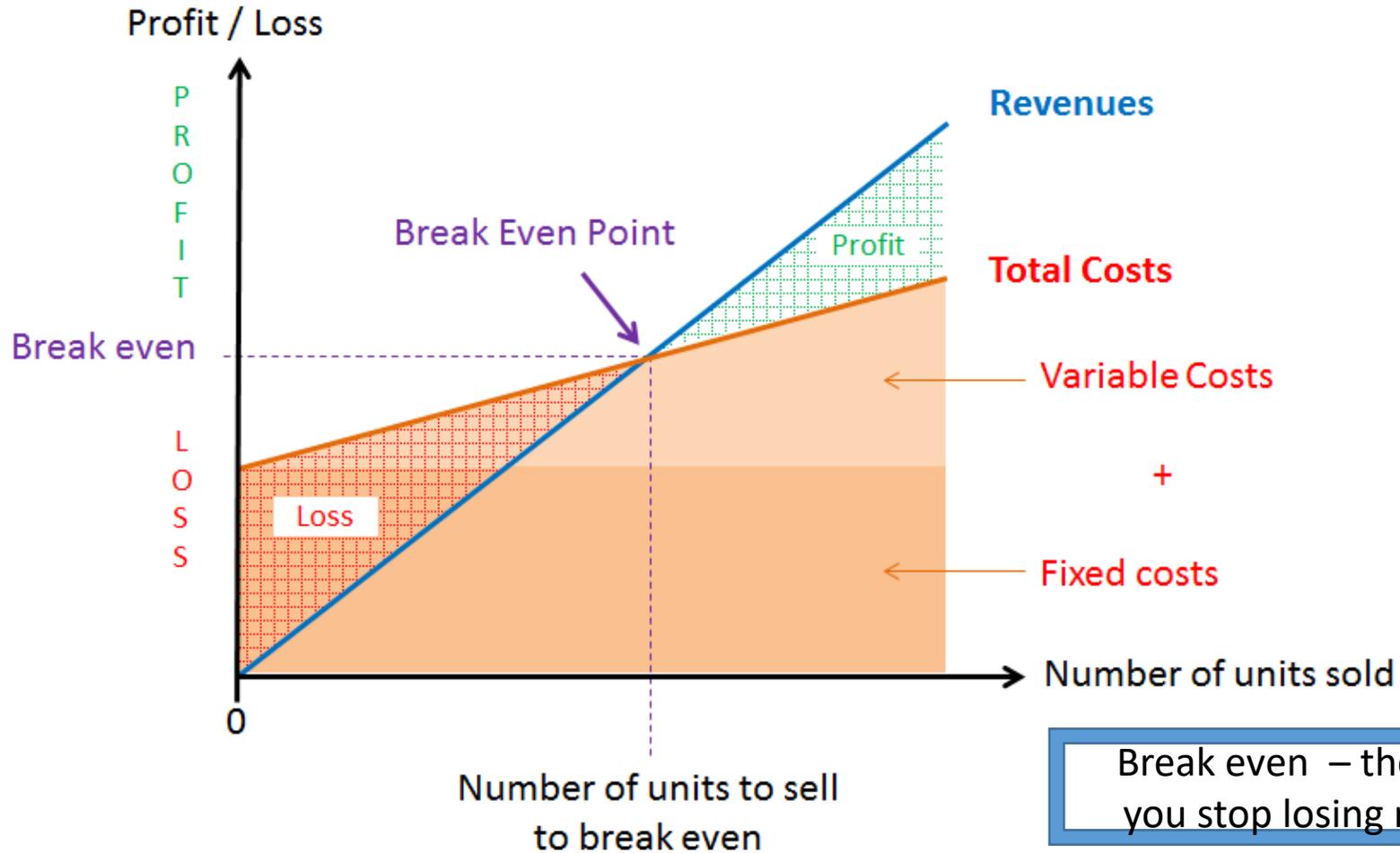
- ❑ **The Balance Sheet**, which shows the assets (i.e. property and rights) held by the company, and the liabilities, which are the obligations undertaken by the company and its resources, also known as “equity”.
- ❑ **The Profit and Loss Account** , which has two columns: the debit, listing all costs 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

**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.

- 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**



- Lack of understanding on the concept
- Limited experience with private investors (VCs etc)
- VCs themselves don't understand the concept
- “Non-bankable” for the wrong reasons
- “Non-investable” shareholders' structure

## 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.



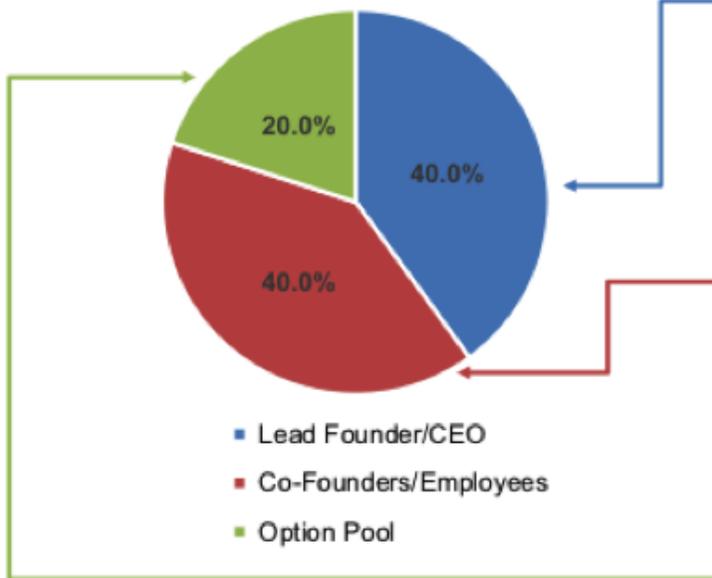
## SENECIO AI BASED MOSQUITO SEX SORTING MODULE

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%

# EXAMPLE 3: SYSTEMATIC RISK CAPITAL MARKET GAP

**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**



# EXAMPLE 3: SYSTEMATIC RISK CAPITAL MARKET GAP

- 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.

# EXAMPLE 3: SYSTEMATIC RISK CAPITAL MARKET GAP



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

# HOW TO CONVINCE REVIEWERS ON NON-BANKABILITY

- 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?

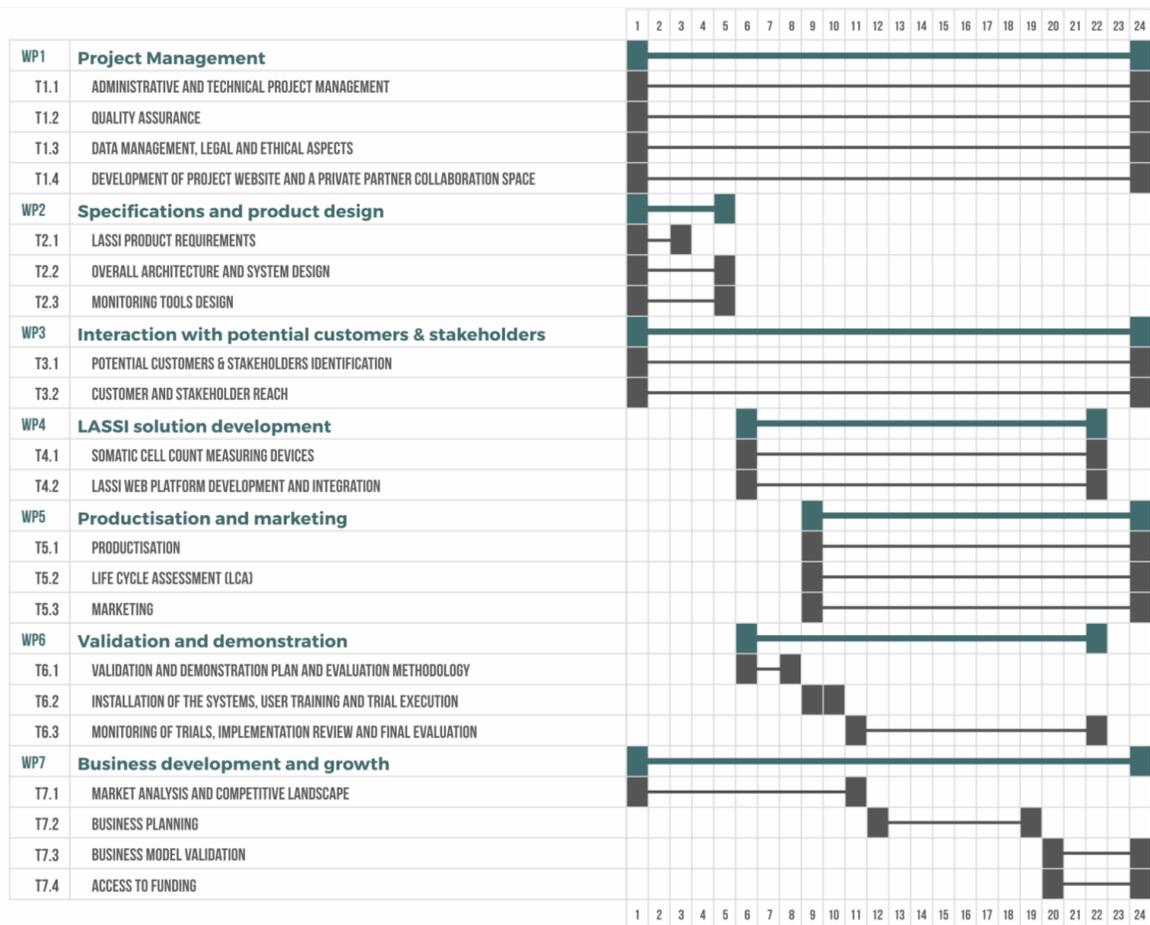
?

**FOMO (brain drain)**



- Unrealistic timetables, particularly concerning demonstration activities
- Complicated structure (too many WPs, Tasks, Deliverables, Milestones)
- Lack of clear responsibilities (Who is doing what?)
- Poor understanding on how to deal with TRL9/  
Market deployment activities

- Overall structure
  - Approach
  - Timing of work packages and activities
- (Based on the objectives and strategy)



Work Package (number and title)	Start month	End month	Deliverable (number and title)	Milestone (description and date) – if applicable	Person months	Indicative budget	Grant or Equity

- Including **TRL 9 / market deployment activities** covered by EU investment in equity **up to break-even point**
- Not more than **5 Work Packages**
- Only essential deliverables (ideally **one per Work Package**)

<b>Work Package Number</b>				
<b>Work Package Title</b>				
<b>Start Month</b>		<b>End Month</b>		
<b>Person Months</b>				
<b>Budget</b>				
<b>Indicate if requesting financing by grant or equity investment</b>				
<b>WP description</b> (You should provide enough detail to justify the proposed resources and also quantified information so that progress can be monitored, including by the Commission):				
<b>Description of tasks:</b>				
<b>List of deliverables:</b>				
Number	Deliverable name	Type	Dissemination Level	Delivery date

**Deliverables** are outputs (e.g. information, special report, a technical diagram brochure, list, a software milestone or other building block of the project) that must be produced at a given moment during the action.

## TYPE

R: Document, report (excluding the periodic and final reports)

DEM: Demonstrator, pilot, prototype, plan designs

DEC: Websites, patents filing, press & media actions, videos, etc.

OTHER: Software, technical diagram, etc.

## DISSEMINATION LEVEL

PU - Public, fully open, e.g. web

CO - Confidential, restricted under conditions set out in Model Grant Agreement

CI - Classified, information as referred to in Commission Decision 2001/844/EC.

**Milestones** are control points to help chart your progress. Milestones may correspond to the completion of a key deliverable. They may also correspond to other inputs, allowing the next phase to begin, to decide on further steps or to take corrective measures.



Together with deliverables they help the EC to assess whether a project is on schedule



Identify sufficient milestones to enable progress to be monitored at high level in all areas of the project at regular intervals and explain your choice



There should be a milestone when a particular stage is complete, or a target has been reached.



There should be milestones in each year of the project, so that annual reviews can be effective

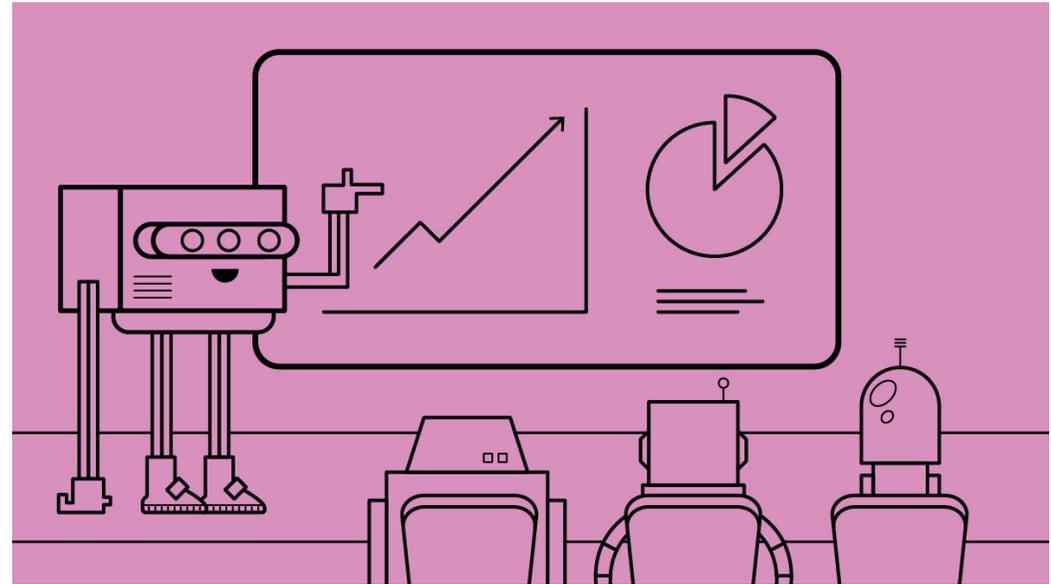


- Many applicants work on their pitch in the very last moment of preparation
- Poor visualization
- Limited presentation skills
- Too much content – cannot fit in 10 minutes
- Generic pitch aimed at investors, not taking into account EIC Accelerator requirements
- Too much focus on technology, limited market data

# PITCH DECK

**Total duration 10 mins:**

Company Purpose  
Problem & Solution  
Value Proposition  
Market Opportunity & Risks  
Competition  
Business Model  
Commercialisation & Marketing  
Strategy  
Financial Projections  
Team  
Conclusion



**After submission for step 1 of the evaluation, the pitch document cannot be changed anymore**

**One slide for each heading**

**ONLY applicants whose proposal has passed to step 2 are invited for face-to-face interview in Brussels**



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# PITCH DECK - RECOMENDATIONS

- Take **award criteria** into account and **address all of them** in your pitch appropriately
- While writing the proposal, **plan enough time to prepare** the pitch deck
- Be precise and to the point: you only have **10 minutes** to present
- Explain your technology/innovation/business in way that **everyone understands it immediately** (avoid technical language)
- Use visuals and **do not overload slides** with text
- Do not forget that **update of pitch deck** before interview date is **not possible**
- Do not ignore the **technical requirements**: Separate PDF file in Annex 5, should not exceed 10MB



# PITCH DECK – TIPS AND TRICKS FROM EASME

## Do you want to perfect your pitch? Answer these 3 questions

- What are you selling?
- What are your customers?
- Why should they pay for it?

## How to take your pitch from good to amazing?

- If you're making money, you should mention it!
- Engage the audience!
- Use storytelling for really complicated products or markets!
- Prepare as much as you can for Q&A.
- Be clear, positive and credible. Always!





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COMPETITIVE  
& SUSTAINABLE  
GROWTH PROGRAMME



TÜBİTAK

Teşekkür ederim!

Thank you!



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