



COPERNICUS USER UPTAKE IN GREECE



Source: Copernicus User Uptake Report – February 2016





Copernicus

- Το ευρύτερο πλαίσιο
- Επισκόπηση των βασικών χρηματοδοτικών μέσων
- Επιλογή του κατάλληλου μέσου
 - Επιδοτήσεις (grants)
 - Χρηματοδότηση χρέους (debt financing)
 - Μετοχικό κεφάλαιο (Equity capital)
 - Άλλα μέσα
- Επιτυχημένο παράδειγμα χρήσης δορυφορικών εικόνων στην πραγματική αγορά
- Σύνοψη
- Περισσότερες πληροφορίες









CONTEXT



COMMERCIAL DOWNSTREAM SECTOR GROWING FAST ...

- Emergence of new Earth Observation business models backed by risk capital (e.g. Skybox, Planet Labs, Urthecast)
- Development of sophisticated cloud-based platforms for intensive data processing (Sentinels big data and integration with other data sources)
- Significant public investment in the EU in the development of EO
 - Support of R&D programmes
 - Innovative public procurement (e.g. EO-related PCP)
 - Support to incubators, new financial tools, boost of GEO-ICT skills
 - Public-private-partnerships to support EO market



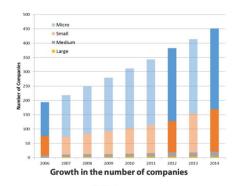


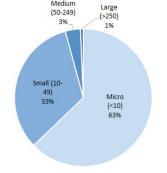




THE COMMERCIAL DOWNSTREAM SECTOR IS A KEY ACTOR OF COPERNICUS

- The commercial downstream sector has a key role to play in maximising the benefits of Copernicus:
 - Commercialisation of Copernicus-based tailor-made applications
 - Reach out to new users, communities and sectors
 - Export to international markets
- The number of EO companies (~450) has doubled over the last 7 years
- In 2014, the EU EO services sector made over €900m and accounted for nearly 7000 highly-skilled jobs (EARSC Industry Survey)
- → The commercial downstream sector is a prime target of EU policies and funding instruments









A WIDE VARIETY OF PUBLIC AND PRIVATE FUNDING OPPORTUNITIES

- Funding instruments developed by EU institutions
 tailored to start-ups and scale-ups
- Private funding instruments available on the capital market
- Action lines sometimes explicitly related to Copernicus or Space-based applications
- Not domain-specific in most cases and usable for EO downstream applications









Credits: ESA / P.Carril & J. Huart









Main TYPES of funding Instruments



THERE ARE 3 MAIN GROUPS OF INSTRUMENTS

Grants:

- Non-repayable funds disbursed by a (public) entity to fund one or several beneficiaries for the execution of a "project".
- Awarding based on the evaluation of technical and financial proposals submitted by applicants.
- Monitoring based on pre-established reporting procedures.

Debt financing:

- The borrowing of capital to use within a company, without loss of equity.
- Repayments on the borrowed capital paid at a fixed rate over a set time period.
- Capital loaned after a financial review of the company, its assets and future potential.

Equity:

- Capital provided in exchange for a share of equity in the company.
- Capital provided with the expectation that the company will be profitable, and the equity will thus be returned for a greatly increased amount of capital.
- Equity received following a successful pitch to potential investors.



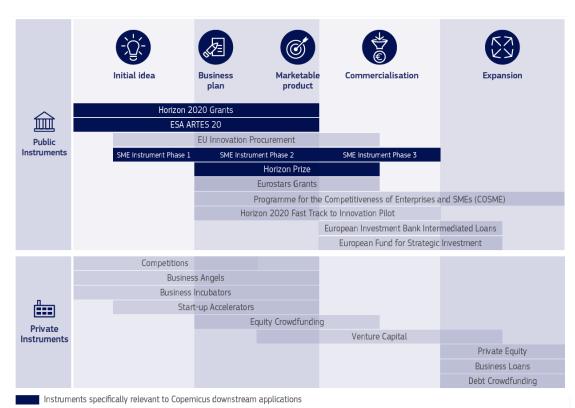




IN SHORT: THERE IS SOMETHING FOR EVERYONE BUT GUIDANCE IS NEEDED

Selecting the most relevant instruments depends on several criteria:

- Type of funding needed
- Development stage of a product/company
- Need for partnering
- Need for additional support









How to choose the right instrument and be successful?



Grants



WHEN TO CHOOSE GRANTS?

- Your product development stage still includes R&D activities
- You have skills and capacity to take part in an international project – usually a strong international consortium is key
- You have time and skills to develop an excellent proposal and follow a standard procedure:
 - Respond to a call
 - Develop and submit a proposal (most often with other partners)
 - Wait about 6 months for evaluation
 - Sign the Grant Agreement
 - Implement your project in line with the funder procedure
- You are ready to co-finance part of the project costs

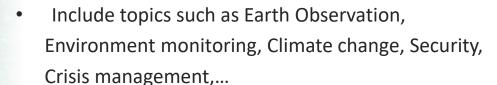








R&D for innovative concepts CAN BE FUNDED BY H2020 Grants







 Co-funding of R&D activities (Research & Innovation Actions -RIA) and closer-to-the market activities (Innovation Actions – IA)



- Applicants must form a consortium ("Find a partner" services exist)
- EU contribution: from 70% (IAs) to 100% (RIAs) of eligible costs for SMEs
- Average EU contribution: €2-5 million per project
- Typical project duration: 2-3 years

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











GREEK ORGANISATIONS PARTICIPATE IN EO-RELATED PROJECTS H 2 0 2 0





A P O L L O Maccill



























- Helps start-ups and scale-ups to engage in Space R&D and other Copernicus-related topics
- Different types of support depending on the concept maturity:
 - Finances business plan elaboration and provides business coaching (**Phase 1**)
 - Finances project implementation and provides business coaching (Phase 2)
 - Provides business coaching, training, mentorship and support to access risk finance (Phase 3)
- EU contribution: 70% of total eligible costs. Up to €50000 fospecifically designed Phase 1, between €0.5 2.5 million for Phase 2
- Typical project duration: from 6 months (Phase 1) up to 1-2 years (Phase 2)

Visit http://ec.europa.eu/easme/en/horizons-2020-smeinstrument











H2020 FTI PILOT HELPS IMPLEMENT CLOSE TO THE MARKET IDEAS



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

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



Bottom-up with industry focus







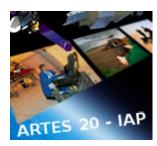


ESA ARTES 20 co-finances projects combining several space assets



- ARTES Integrated Applications Promotion programme (ARTES 20) funds feasibility studies and demonstrations of user-driven applications, combining at least two space assets (EO, GNSS, telecom)
- Two instruments: open competitive tenders (ITT) and continuous 2-stage open calls for proposals (outline proposal / full proposal)
- Applicants must come from the ESA member states and cooperating states participating in ARTES 20
- Applicants must form a consortium including at least a service provider
- ESA contribution: 100% for ITTs, 50% for calls for proposals (up to 100% for universities and research institutes)
- <u>But</u> Greece is not currently subscribed

Visit: http://artes-apps.esa.int



Gives access to ESA's technological expertise







EUROSTARS GRANTS FUND R&D-PERFORMING SMES













- Support innovative projects to be commercialised within 2 years of project completion
- Address any technological area provided it has a civilian purpose
- Applicants must form a consortium ("Find a partner" services exist).
- The lead partner must be an "R&D-performing SME" originating from a Eurostars/EUREKA country
- Eurostars member countries national funding rules and procedures apply
- Typical project duration: 3 years
- <u>But</u> at this stage there is no public support for Greek organisations wishing to participate – They can participate but proving self-funding available – See https://www.eurostars-eureka.eu/countries/greece



Specifically designed for R&D-performing SMES









GRANTS - KEY IS TO PREPARE AN EXCELLENT PROPOSAL

- Make sure that your project is fully in line with the Call objectives and the European Commission priorities:
 - Participate in the H2020 Info Days where you can consult it with EC representatives;
 - Seek for advice from your National Contact Point for EU Research Programmes.
- Start at least 6 months before deadline for proposal submission. Last minute proposals are bad proposals.
- Search if similar projects/products already exist and show how you make a difference.
- A strong consortium is key for success.
- Be concrete and clear in your proposal, evaluators are specialists from the industry, not EU robots!













GRANTS — EVALUATION CRITERIA ARE YOUR BASELINE

1. Excellence – Is your idea innovative enough?

- Clarity and pertinence of the objectives
- Soundness of the concept, credibility of the proposed methodology
- Innovation potential and extent to which the proposed work goes beyond state of the art
- Interdisciplinary approaches and use of stakeholder knowledge

2. Impact – How much it will fulfill the call objectives?

- Contribution to the impacts mentioned in the work programme
- Any other impacts, that influence innovation capacity, market competitiveness and other important societal issues such as climate change or environment
- Quality of the proposed measures for exploitation and dissemination











GRANTS - EVALUATION CRITERIA ARE YOUR BASELINE

3. Quality and efficiency of the implementation – How is your consortium built and managed?

- Quality and effectiveness of the work plan, including planning of work effort
- Appropriateness of management structures and procedures, including risk and innovation management
- Necessary expertise of the team members
- Appropriate allocation of tasks to proper specialists

Success rate of H2020 proposals is about 15%

→ Only EXCELLENT proposals have a chance to win!









Debt financing



LOANS PROVIDE ESTABLISHED COMPANIES WITH RESOURCES FOR EXPANSION/WORKING CAPITAL











- A business loan or debt financing is the act of borrowing capital for use within a company
- The most common sources of debt financing are: bank loans, credit unions, independent business loan providers, and family & friends
- Debt financing requires no equity being given up by the business. Instead, loans are given on the basis of assets and collateral

Visit European small business council (http://ec.europa.eu/small-business/finance/index en.htm)





to retain equity





CROWDLENDING IS AN ALTERNATIVE OPTION OF DEBT FINANCING











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

Visit:

- Funding Circle (<u>www.fundingcircle.com</u>)
- Lending Club (<u>www.lendingclub.com</u>)

Alternative to traditional business loans









EIB INTERMEDIATED LOANS EASE ACCESS TO DEBT



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

 For projects below financial intermediaries (list available on the EIB portal)
- Visit <u>www.eib.org</u>





EXAMPLE OF EIB-RELATED PROJECTS

EO services for EIB – Laos



CHALLENGE

Difficult to monitor projects taking place in especially in remote developing countries

SOLUTION

Use Earth Observation to establish baselines and monitoring of infrastructure and environment in the context of the Nam Theun (NT2) Hydropower Project in Lao PDR

EO SERVICES PROVIDED

- Forest and land cover mapping for environmental assessment
- Monitoring how much water is in the reservoir (relevant for energy forecasting)









SECTORS FOR THE EUROPEAN







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











DEBT FINANCING — WHAT IS NEEDED TO APPLY FOR A LOAN FROM A BANK

These are some common requirements you will need you to fulfil across all banks, even though the specific conditions might differ:

- Accounts Receivable, a rundown on all your expected income that you are waiting to receive, ideally fixed by customer contracts.
- **Personal financial details,** a break down of your personal financial risks and outstanding debts and/or investments and possibly a credit check.
- **Insurance information,** a detailed list of all current insurance policies in the name of the company including what is covered.
- **Collateral,** a resalable asset (personal or company owned) or capital locked away with other investments that can be leveraged against.
- A business plan, detailing how the company is currently performing and how it is expected to perform throughout the period of the loan and beyond.
- Thorough financial details, a full break down on the company financials including assets and expected finances going forward.









Equity capital



E N A BLES FUNDRAISING OWDFU N G DIRECTLY FROM PUBLIC



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

Visit:

- Seedrs (www.seedrs.com) largest European platform
- FunderNation (www.fundernation.eu) German platform with Aerospace focus







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



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

For smart capital

- Visit:
- European Business Angel Network (<u>www.eban.org</u>)
- Space Angels Network (<u>www.spaceangelsnetwork.com</u>)





DES THE FINANCIAL RESOURCES FOR RAPID GROWTH



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

Visit:

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









THE EU SUPPORTS THE FINANCING MARKET WITH COSME



- Facilitates access to guarantees, loans and equity capital through selected financial intermediaries (local banks).
- The Loan Guarantee Facility (LGF) funds guarantees and counterguarantees (up to €150000) — helping financial intermediaries to lease finance to start-ups and scale-ups.
- The Equity Facility for Growth (EGF) consists of investment in risk capital funds that provide venture capital and mezzanine finance to expansion and growth-stage SMEs.
- Specific conditions set by financial intermediaries.
- To benefit from COSME instruments, start-ups and scale-ups should Through financial contact their local financial intermediaries.
- Visit http://ec.europa.eu/growth/smes/cosme







EQUITY CAPITAL - PITCH DECK ESSENTIALS

The key to successful investment is a **great product** and an **even greater investor pitch**. This should be prepared for various different presentation lengths and containing the following:

- Mission / vision statement A clear one liner on what you do.
- **Description of company / product / service** How, what, when and why you solve your customers problems.
- Market size Realistically identify the size of your total market.
- Unique Selling Proposition (USP) & Competition Detail how do you differentiate from your competition and how you compare.
- Marketing plan & market entry Show clearly how you will break into the market and grow your revenue. Be sure to also outline barriers or risks.
- Partners Show partners and their involvement and advantages (with logos).
- Financials A full financial run down on the company including projections and with examples from already known brands.
- Management team A break down of everyone in the team and how they fit the project, also include any well known advisors.









Other instruments



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



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

Visit:

- Actin Space (<u>www.actinspace.org</u>)
- Copernicus Masters (<u>www.copernicus-masters.com</u>)
- Space App Camp (<u>www.app-camp.eu</u>)
- MyGEOSS (http://digitalearthlab.jrc.ec.europa.eu/mygeoss/)











HORIZON PRIZES DRIVE GROUNDBREAKING INNOVATION



- Horizon challenge prizes offer a cash reward to whoever can most effectively meet a defined challenge in different topics
- The aim is to find solutions to problems that matter to European citizens.
- All legal entities can apply: companies, organizations and natural persons
- EU Budget per prize: €0.5-3 million
- EO-related challenges could be launched (2017-2019)

Visit https://ec.europa.eu/research/horizonprize



Be the first one to crack the challenge





ACCELERATORS STIMULATE RAPID GROWTH IN PREPARATION FOR RISK CAPITAL



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

Visit:

- Copernicus Accelerator (<u>www.copernicus-masters.com</u>)
- Climate KIC Accelerator (<u>www.climate-kic.org</u>)
- SETsquared Space Accelerator Hub (<u>www.setsquared.co.uk</u>)
- Space3ac (<u>www.space3.ac</u>)

For highly accelerated growth in seed stage









BUSINESS INCUBATORS FOSTER THE GROWTH OF YOUNG COMPANIES



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

Visit:

- ESA Business Incubation Centres (<u>www.esa.int</u>)
- Surrey Space Incubator (<u>www.surreyspaceincubator.co.uk</u>)
- North East Space Incubation Programme (<u>www.northeasttechnologypark.com</u>)











Who is Building Radar?

- Winner of 2015 ESA Space App Camp
- Winner of the 2015 Copernicus Masters European Space Imaging High-Res Urban Challenge
- Currently at ESA Business Incubator Centre in Bavaria, Germany





© Building Radar







What do they do with Sentinel-2?

- Global database for new and ongoing construction projects
- Technical:
 - Earth Observation data, including Sentinel-2
 - Machine learning and data mining to identify new building projects
- Financial:
 - Subscription model with free trial

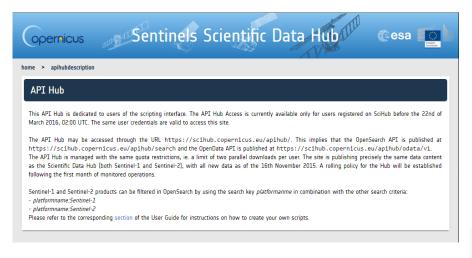






Tutorial

- What can you see on a free Sentinel-2 satellite image?
 - Full, free and open satellite imagery
 - 10 meter resolution
- How to do it in an operational environment?
 - Sentinel API Hub



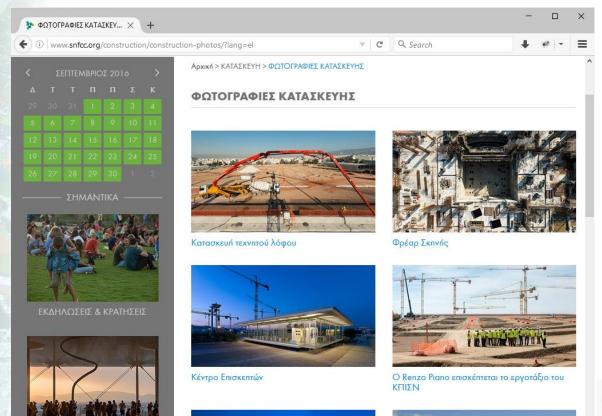






Step 1: Search for area of interest

Culture Centre Stavros Niarchos Foundation







Step 2: download a time series

- Option A: Sentinels Scientific Data Hub full images
- Option B: USGS Earth Explorer
- Option C: QGIS Semi-automatic Classification Plugin
- Option D: Cloud

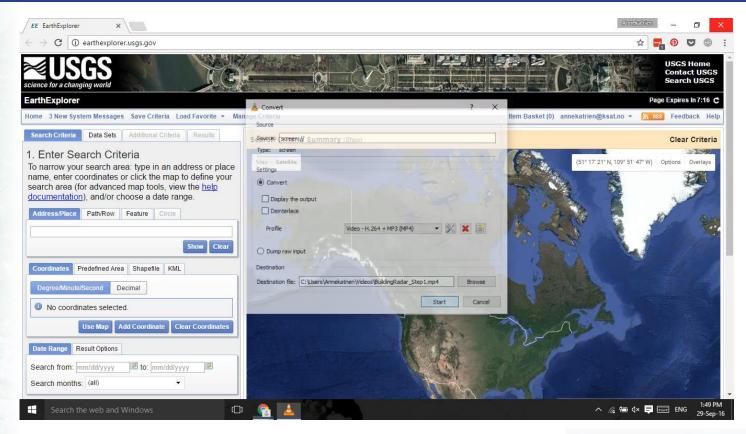
- Software used:
 - QGIS (OSGEO): http://www.qgis.org/en/site/
 - Amazon Web Services Command Line Interface
 - USGS Earth Explorer: http://earthexplorer.usgs.gov/
 - Sentinels Scientific Data Hub: https://scihub.copernicus.eu/dhus/#/home





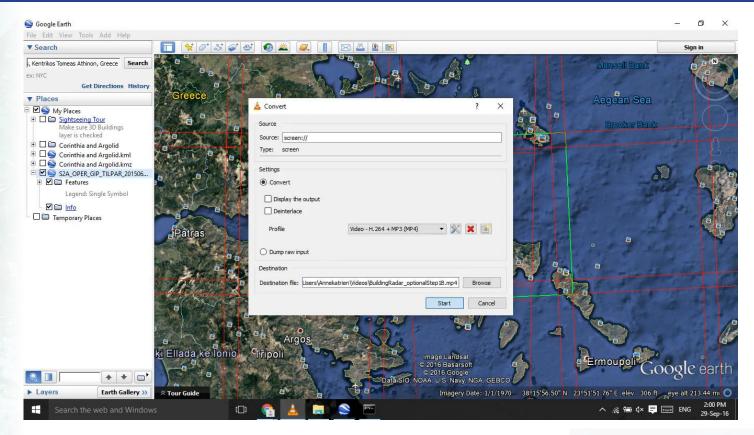


Option B: USGS EarthExplorer





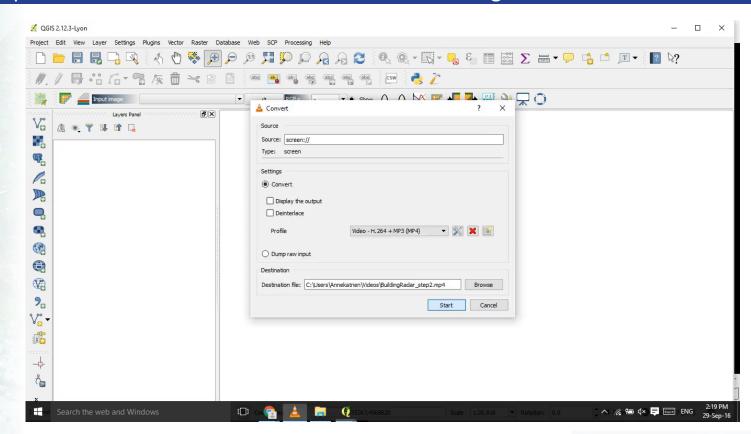
Option D: Cloud services





Copernicus

Step 3: Visualize an RGB image in QGIS

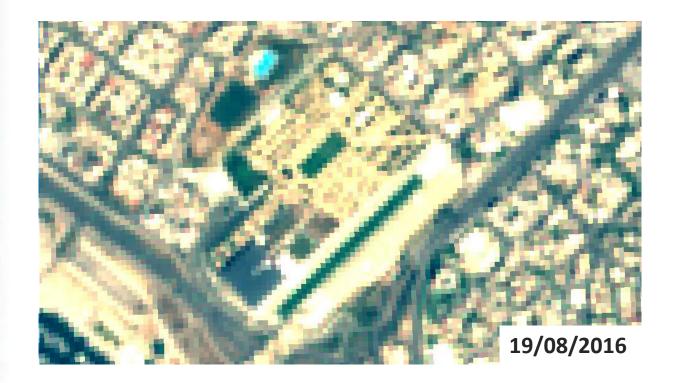








Step 4: Time series







IN SUMMARY...



BAΣIKA MHNYMATA-COPERNICUS EΠΙΧΕΙΡΕΙΝ

- Αναζητήστε ευκαιρίες για την ανάπτυξη επιχειρηματικών ιδεών στα διάφορα χρηματοδικά μέσα
- Βεβαιωθείτε ότι απαντάτε σε αναγνωρισμένες ανάγκες σε νευραλγικούς τομείς της αγοράς και της κοινωνίας
- Σε συνδυασμό με την τεχνική αρτιότητα και καινοτομία είναι απαραίτητο να αναπτύξτε
 - εμπεριστατωμένο business+sustainability plan και
 - marketing/pitching skills
- Παρακολουθήστε τόσο τις <u>τεχνολογικές όσο και τις policy-related εξέλιξεις</u>
- Δώστε έμφαση στο national and international, multi-stakeholder networking
- Αξιοποιήστε ημερίδες, workshops, conferences για να είστε ενημερωμένοι
- Μην διστάστε τη συμμετοχή σε <u>start-up, accelerator, incubator, κτλ προγράμματα</u>





FIND OUT MORE...



SUPPORTING PLATFORMS & NETWORKS

Enterprise Europe Network http://een.ec.europa.eu/	 Helps SMEs innovate and grow internationally Provides business expertise
EU Access to finance platform http://europa.eu/youreurope/business/funding-grants/access-to-finance/index_en.htm	 Provides an overview of EU Helps SMEs to apply for loans and venture capital supported by EU
H2020 R&I participant portal https://ec.europa.eu/research/participants/p ortal	 Entry point for applying for H2020 funding Provides applicants with information and guidance on funding opportunities
H2020 National Contact Points https://ec.europa.eu/research/participants/p ortal/desktop/en/support/national contact points.html	 At least 1 contact point per Member State Provides guidance, practical information and assistance on all aspects of participation in Horizon 2020







SUPPORTING PLATFORMS & NETWORKS

Your Europe Business http://europa.eu/youreurope/business	 Provides practical information on doing business within Europe Offers information on basic rights, how these rights are implemented in each individual
European Investment Project Portal (EIPP) https://ec.europa.eu/eipp	 Brings together project promoters and investors Addresses a wide range of areas (efficiency, transport, renewable energy)
European Investment Advisory Hub (EIAH) http://www.eib.org/eiah	 Provides project promoters, public authorities and private companies with access to a number of advisory and technical assistance programmes and initiatives







SUPPORTING PLATFORMS & NETWORKS

European Assistance For Innovation Procurement (EAFIP) http://www.eafip.eu	 Promotes the benefits of innovation procurement Provides training and assistance to public procurers
Procurement Forum https://procurement-forum.eu	 Part of the "innovation platform" Gives stakeholders a chance to exchange, connect and collaborate
Eurostars National Project Coordinators (NPC) https://www.eurostars-eureka.eu/eurostars-countries/europe	 Provides guidance about the Eurostars application process Informs about national funding rules and procedures







FACTSHEETS AVAILABLE FOR DOWNLOAD



www.copernicus.eu/access-to-finance







BONUS...