



EuroGEOSS Showcases: Applications Powered by Europe

D5.6 Investment and Funding Landscape Navigator



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ABSTRACT

The overall aim of WP5 is the long-term economic sustainability of e-shape Pilots, their penetration in the public and private markets and the support of their upscaling. This will be achieved by providing a wide range of support measures that will be accessed in a dedicated online environment – the e-shape Sustainability Booster, complemented by on-demand services supplied by qualified experts.

Access to finance is one crucial aspect to ensure sustainability beyond the lifetime of the e-shape project. The Investment Readiness Support activities aim to follow and map additional sources of support for innovation and funding opportunities for the e-shape Pilots and to support the Pilots in identifying, selecting, and securing investment and funding.

The Investment and Funding Landscape Navigator represents the information component of Investment Readiness Support. It is a tool that contains investment and funding opportunities mapped to the e-shape Showcases, made available through a user interface that allows search and filtering for best match with a specific e-shape Pilot.

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VERSION NUMBERING	
v0.x	draft before peer-review approval
v1.x	After the first review
v2.x	After the second review
Vfinal	Deliverable ready to be submitted

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STATUS		DISSEMINATION LEVEL	
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S2	Pending for review		
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S4	Under preparation		



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1 INTRODUCTION

The overall aim of WP5 is to enable the long-term sustainability of the e-shape Pilots, their penetration in public and private markets and to support their upscaling. In that regard, Task 5.2 focusses on providing e-shape partners with “Market Penetration Support”. As part of this process, an “Investment and Funding Landscape Navigator” has been designed and will be operated throughout the duration of the project. This deliverable (5.6) explains the **need for access to finance** (chapter 2) when aiming at long-term market success of the pilots developed in e-shape, and presents the **methodology** (chapter 3) used to identify appropriate sources of investment and funding, followed by a description of the technical/procedural aspects of the resulting Investment and Funding Landscape Navigator (chapter 4). This report concludes with a summary of the steps that will be taken (chapter 5) to ensure this resource provides value to e-shape and beyond.

2 NEED FOR ACCESS TO FINANCE

The Sustainability Booster, as a whole, aims at supporting e-shape’s Pilots in maximising their sustainability potential, whether in the real market (i.e. commercial exploitation) or within follow-up research and development activities. It does so by offering **(i)** intelligence on market and technological developments and trends to enable informed decision-making; **(ii)** guidance related to business, legal and IP aspects; and **(iii)** tools for innovation support.

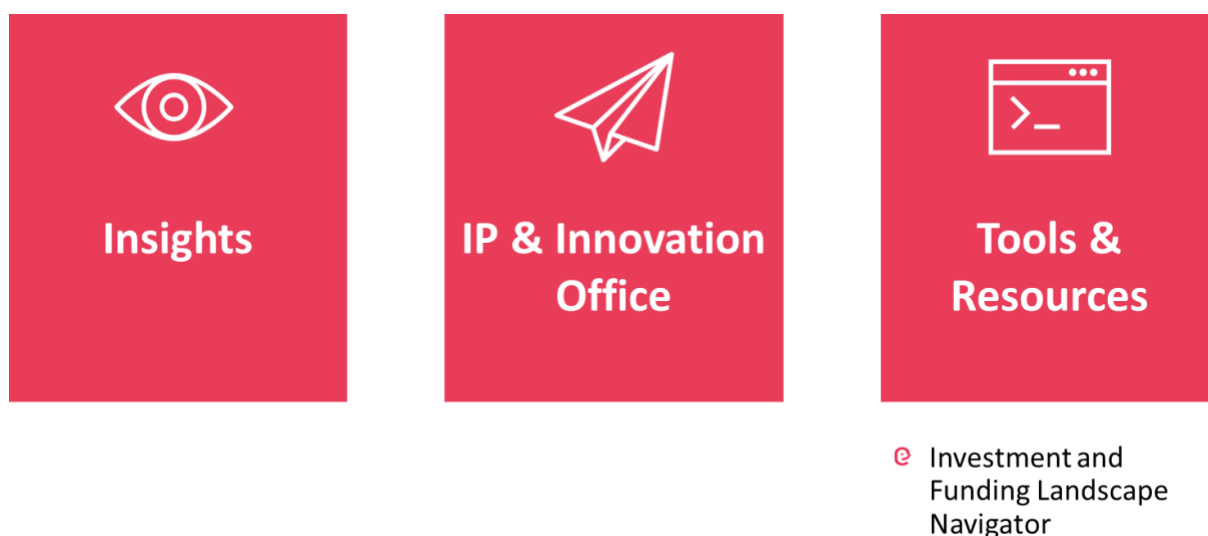


Figure 1: Investment and Funding Landscape Navigator positioning within Sustainability Booster

The “Investment Readiness Support” activities that are part of Task 5.2 will offer guidance to e-shape pilots and the greater EuroGEO community. In that regard, the Investment and Funding Landscape Navigator is designed as a tool that allows users such as e-shape Pilots to find vehicles of access to finance matching their specific context. Active support in e.g., preparing documentation for investors or pitch training represents the guidance aspect.

e-shape Pilots have their roots in advanced R&D activities and are aimed at developing products and services towards Technology Readiness Level (TRL) 9. To that end, the required financial resources for technological development are backed by the Grant financing the e-shape project.

While the developed solutions at the end of the project may be market ready, market presence will require further efforts, such as:

- Operations of product or service
- Licences and fees
- Rent, utilities, and equipment
- Administrative costs
- Salaries
- Communication and marketing
- etc.

These costs may occur before having a first client or even be prerequisite for acquiring first customers. Thus, if business operations and further development cannot be financed through revenues generated from the product or service, additional funding or investment may be required, depending on maturity of product or service, the business as such, the nature of the product or service, targeted sectors and markets etc.

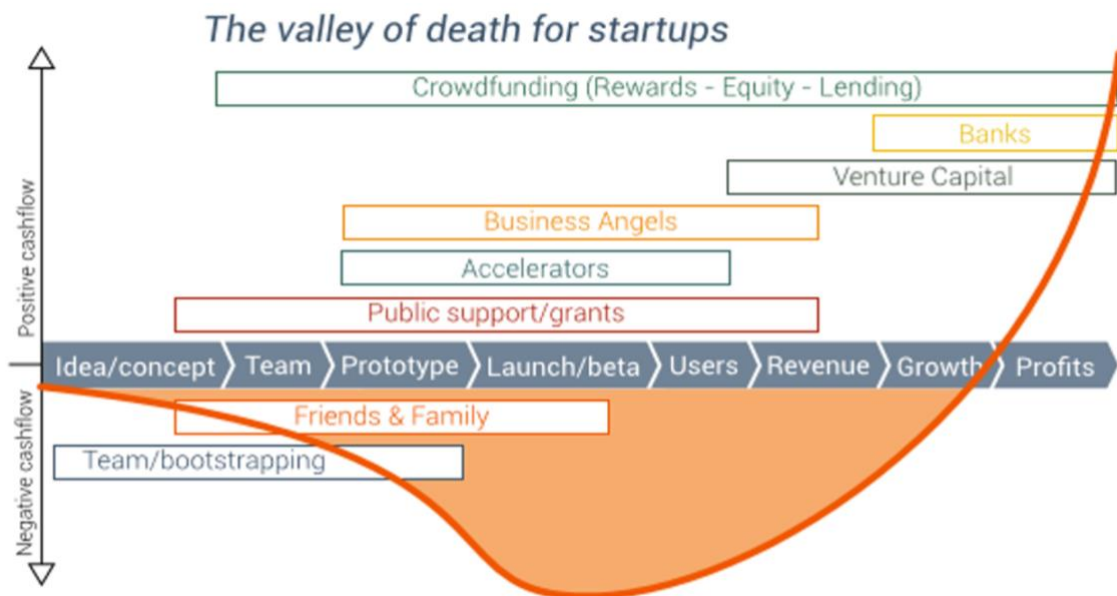


Figure 2: Vehicles of investment and funding matched to company stage. Source: <https://startupfundingbook.com>

Further factors influence preferences of entrepreneurs/solution developers in their choice of vehicles (see Figure 3).

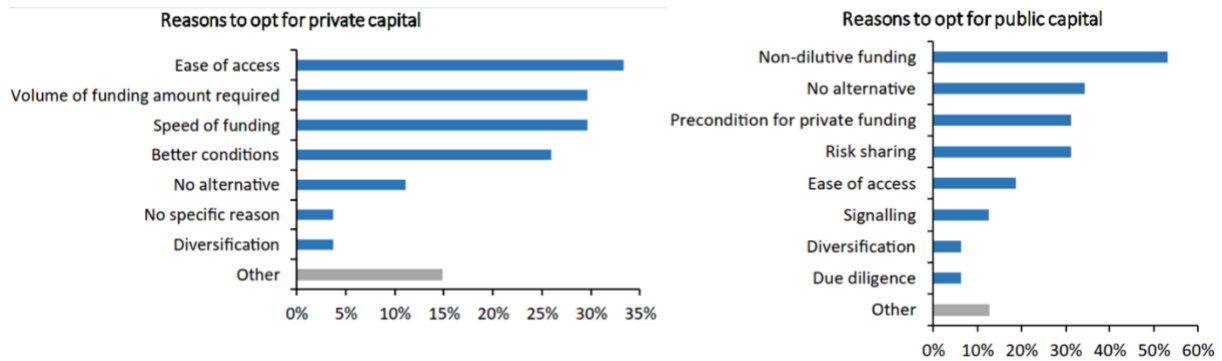


Figure 3: Rationale for choosing either public or private sources of finance. Source: The future of the European space sector, EIB, 2019

Informed by these aspects, the “Investment and Funding Landscape Navigator” (described herein) gathers suitable sources of investment and funding, maps these to the e-shape Showcases, and makes information accessible through an online user interface.

3 METHODOLOGY

Identification of investment and funding opportunities as input to the Investment and Funding Landscape Navigator has been based on:

- Exploitation of existing networks
- Desk research
- Expert interviews (with private investors, EO companies that raised or attempted to raise capital, and representatives of public funding instruments)

Focus of investigation has been on public funding available in Europe on European and Member State level, as well as on private investment from globally active investors with a focus on Europe and/or potential export markets. Further focus has been on supported sectors. This includes the space and EO sector as such as well as all the verticals supported by e-shape Showcases.

Results of the investigation have been documented in a spreadsheet structured as follows:

- Name
- Link
- City (HQ)
- Country (HQ)
- Type of investor
 - Public
 - EU level
 - Member State level
 - Private
 - Angel
 - VC
 - Private Equity
 - Micro Capital
 - Corporate VC
 - Family Investment Office
- Funding type / instrument



- Prizes
 - Accelerator
 - Incubator
 - Innovation Hub
 - Grant
 - Loan
 - Equity
 - Mix
- Investment stages
 - early
 - pre-seed
 - Seed
 - Series A
 - Series B
 - Series C
 - Growth
- Company stage
 - Idea/concept
 - Team
 - Prototype
 - Launch
 - Users
 - Revenue
 - Growth
 - Profits
- Sector focus
 - Agriculture
 - Health
 - Energy
 - Ecosystem
 - Water
 - Disaster
 - Climate
 - EO
 - Space
 - Other
- Geographical focus
- Notable investments

e-shape partners, including WP5 leaders Evenflow, are part of the European Earth Observation community with well-established connections to the European institutions, the Space Programme, and the funding and support instruments these provide. This ecosystem has thus been a starting point for mapping instruments of funding and support, including e.g. the Copernicus Prizes, Incubators such as ESA BICS or ESA Incubed, or Grants such as under H2020. Further exploring these lead to a more comprehensive overview of grants, prizes, financial instruments, competitions, and regional and national funds that either focus on EO, space, or verticals matching e-shape Showcases.

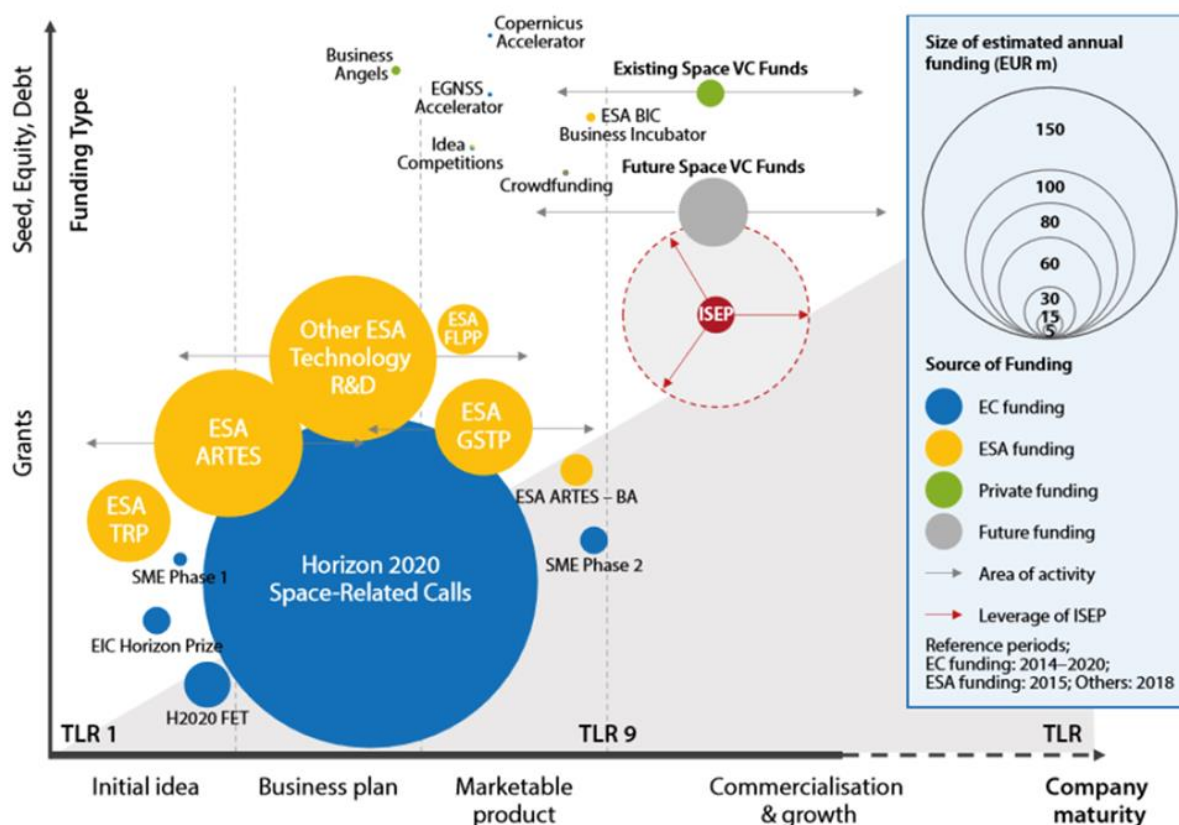


Figure 4: Space-focused financial instruments in Europe. Source: The future of the European space sector, EIB, 2019

In this investigation, recent analyses into the European space sector have been studied to understand key current trends. Thus, companies from the space sector, including EO companies, have been attracting an increased volume of investment over the past years¹. Venture capitalists (VCs) and angel investors represent the two biggest groups of investors in space ventures, accounting for approximately two thirds of all investments, while satellite operators are the biggest single group of private investors overall.² Investigating such investors has been the starting point for the identification of private investors with a track record in investing in space or EO companies. However, while there is a growing number of investors that focus on space, these are still the exception. Thus, research has been extended to private investors with a focus on verticals addressed by e-shape Showcases as well as on those with a focus on deeptech companies, since downstream EO applications are often based on such enabling technologies.

At the time of drafting this deliverable document, the resulting list contains 152 entries of investment and funding sources. Presently, most of these have been added to the Investment and Funding Landscape Navigator, which will be constantly updated throughout the lifetime of the e-shape project.

¹ The future of the European space sector, EIB, 2019; Seraphim Space Index Q2 2020, Seraphim Capital, 2020

² The Q3 2020 Space Investment Quarterly, Space Angels, 2020
e-shape



Figure 5: Documentation and mapping of identified sources of investment and funding

4 INVESTMENT AND FUNDING LANDSCAPE NAVIGATOR

The Investment and Funding Landscape Navigator is composed of a database of investors and funding instruments as well as a user interface to navigate these. It is openly available via the online presence of the Sustainability Booster under <https://sustainability.e-shape.eu/investment-funding/>. It has been implemented as a website based on the Content Management System WordPress which, through its backend, allows entering new “investor” datasets as well as maintaining and updating existing datasets. Selected plugins enable the definition of these custom post types, views, and desired functions.

Following an analysis of investment and funding taxonomies and user needs in the context of e-shape, information structure and user interface have been defined with the help of a usability expert. A number of mockups have been created prior to finalisation of layout and implementation.

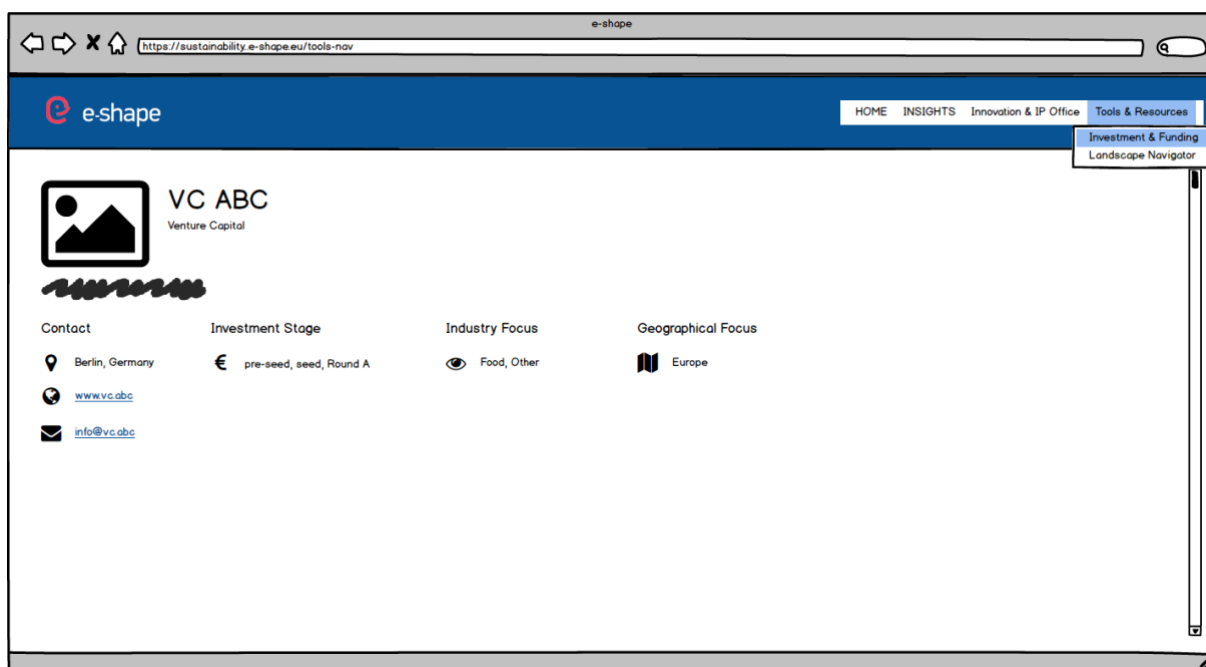


Figure 6: Early mockup investor view

The following screenshots present different views in both, backend and frontend of the implementation.

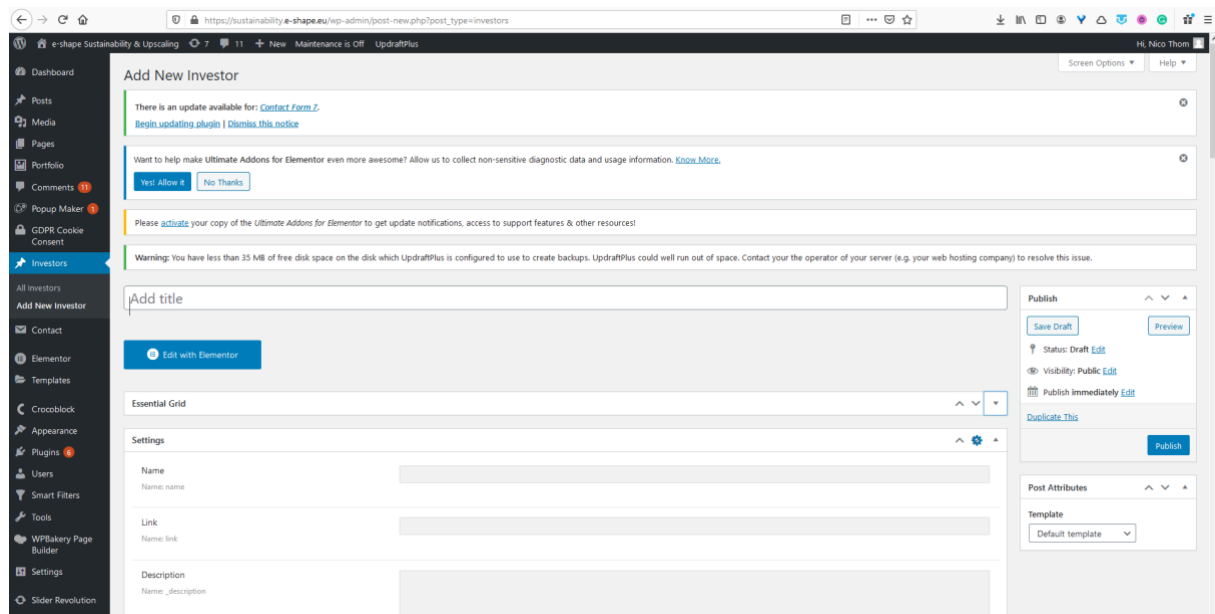


Figure 7: WordPress backend, entering new dataset

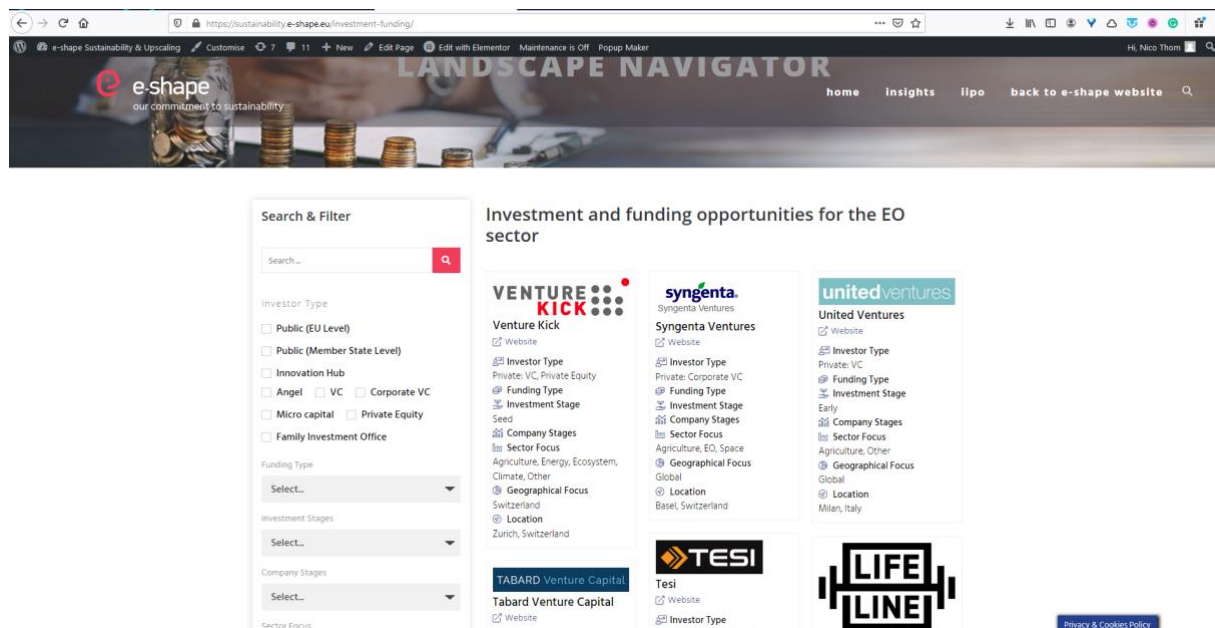


Figure 8: Landing page Investment and Funding Landscape Navigator

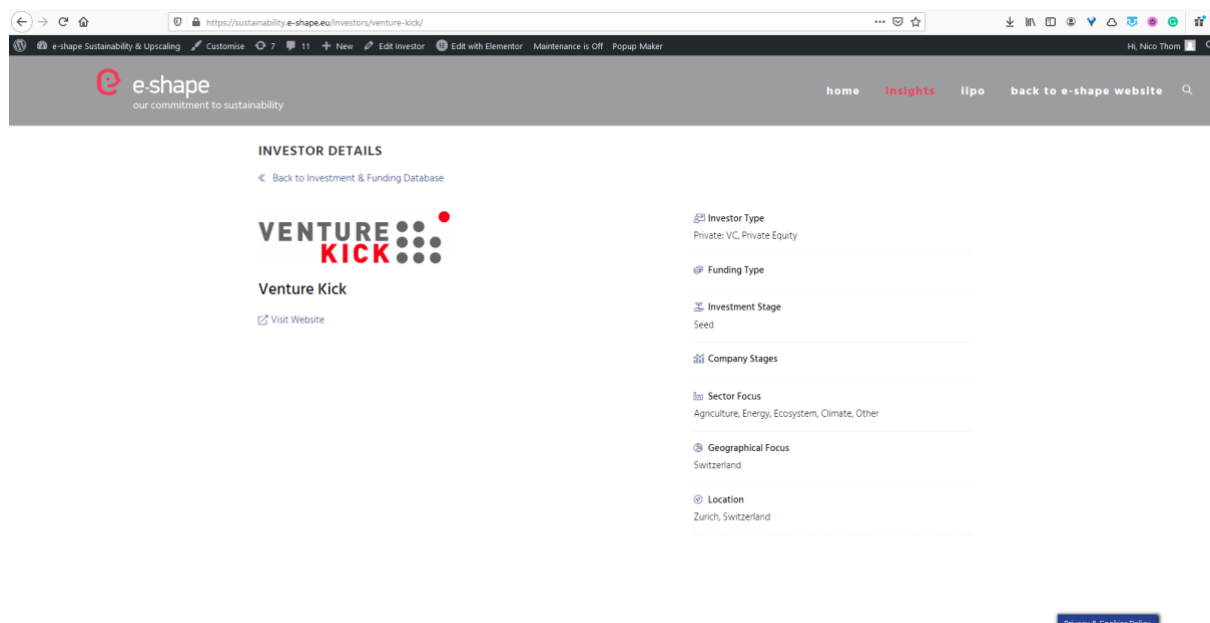


Figure 9: Detailed investor view

5 GUIDANCE

The Investment and Funding Landscape Navigator is a tool enabling e-shape Pilots and other users to browse preselected sources of finance on their own with options to narrow these down to those matching their focus and stage. Consultations are offered to support Pilots in their self-assessment (actual stage, investment needs, etc.) and eventually selecting those to approach. The tool is the basis for a number of concrete services in the context of the Investment Readiness Support.

6 LIMITATIONS AND NEXT STEPS

In its initial version, the Investment and Funding Landscape Navigator presents a mix of public and private finance with sectoral focus across the e-shape Showcases. The entities listed in the database have a track record of investment or funding in the sectors that the e-shape Showcases represent, and / or space sector or EO solutions, and / or technologies that are typically applied by EO solutions. Filtering and search enables users such as the e-shape Pilots to narrow down options based on their strategy or market readiness. Yet, guidance may be needed, and more specific and targeted results could be expected in the search for the most suitable investor.

Thus, consultations with all Pilots will be held during Q1 2021 where they will:

- Assess usability of the present version of the Investment and Funding Landscape Navigator and its content;
- Reveal their user perspective as regards information and support needs;
- Discuss their current status of investment readiness and needs.

The feedback received will be used to:

- Further improve usability of the Investment and Funding Landscape Navigator (navigation, content);
- Tailor the investment readiness support services to context and needs of each Pilot.

The Investment and Funding Landscape Navigator will be dynamically growing in content. From its launch, it will be continuously updated with additional sources as well as updated with richer information. This will include a glossary providing definitions of e.g., different types of investors or funding rounds. Based on feedback from Pilots, the user interface will be adapted.

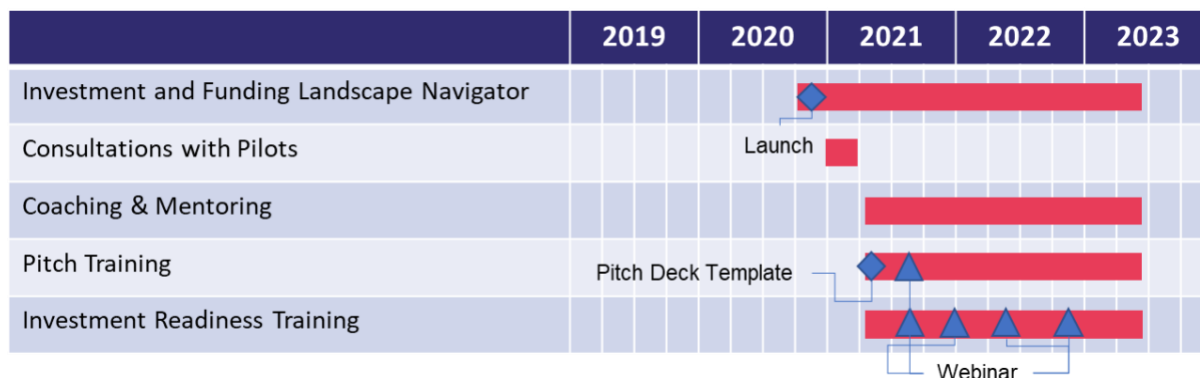


Figure 10: Investment Readiness Support timeline

The tool will be actively promoted among the e-shape Pilots to raise their awareness about the Investment Readiness Support offering:

Pitch deck

A (neutrally branded) template will be provided including examples and guidance to create a simple, very visual and minimal pitch deck including slides about:

- Mission/vision
- USP (Unique Selling Proposition)
- team/key players
- competition
- strategy
- achievements
- risks
- business model
- investment requirements

Pilots will receive feedback for improvements of their pitch deck.

Pitch training

Webinars and sessions during e-shape events will be organised, where Pilots can

- Present their pitch deck,
- Rehearse scenarios with video recording,
- Learn about top mistakes, best practices, general presentation skills.



These sessions will be offered throughout the lifetime of the project, with different Pilots expected to reach investment readiness at different points in time.

Webinars

Further webinars will be offered on topics such as

- Introduction to attracting investors,
- understanding term-sheets,
- defining a strategy,
- staging equity investments.

Up to four such webinars will be pre-recorded and made available online.

Mentoring

On-demand coaching sessions will be offered on issues related to attending accelerators/ incubators, raising capital, offering stock options to senior employees etc.

All these elements underpin the comprehensive Investment Readiness Support offered by WP5 to the e-shape pilots, and where appropriate, to the greater EuroGEO community.