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BEIJING, CHINA

Raising finance for SME technology companies

INNOWATER

By Rasmus Egvad & Kenneth Larsen
Investornet, Denmark
About Investornet-Gate2Growth

- Danish private consultancy
- Specializing within business development and financing of SMEs
- Partner in a large number of EU projects within bio chemical, water and welfare technology industries
Cases

- Reuse of water from power plants cooling towers
- Reuse of water in the food and beverage industry by electrolytic removal of bacteria
- Monitoring and control of drinking water from groundwater wells
- Reuse of rain water for secondary water purposes
Challenges – in Europe

EU companies meet the following financial challenges:

• VC investments in EU record low since 2009
• EU Business angel financial set-back
• Decrease in bank credit lines given
• Investors focus on existing investments
• Intensive “battleground” for risk capital
Investment shift

- IPO/ Stock Markets
- Venture Capital
- Business Angels
- Seed funds
- Network

Capital needed

- Research/idea
- Development
- Proof of Concept
- Proof of Business
- Scale

Company’s phase

2008………

Partnerships for better innovation support

European Commission
Enterprise and Industry
Challenges – in China

EU companies expanding to China meet the following financial challenges:

• No loan financing in China through bank
• No Chinese governmental support programs
• No Chinese private equity financing via Venture Capital
Danish governmental financing

- IFU
- EKF
- Climate fund
- MUDP
- Seed

Capital needed

Development
Proof of Concept
Proof of Business
Scale

Company’s phase
Decide on the type of financing

Investors

- Own investment
- Banks
- Private investors
- Venture capital
- Governmental funds
- Support programs
- Export credits
Take aways

- Almost impossible for foreign companies to obtain financing in China
- Expect additional funding needs to localize your product
- Increasing cost in China for salaries, retaining people, working conditions, etc.
- It always take longer than expected to penetrate the market
- Raise sufficient funding to get to break even
- Many governmental programs in EU
Thank you for your attention

Contact info:

Address: **InvestorNet** - SCION-DTU
Diplomvej 381
DK 2800 Kongens Lyngby
DENMARK

E-mail: re@gate2growth.com