

TII 2013

BEIJING, CHINA

*Raising finance for
SME technology companies*

INNOWATER

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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**

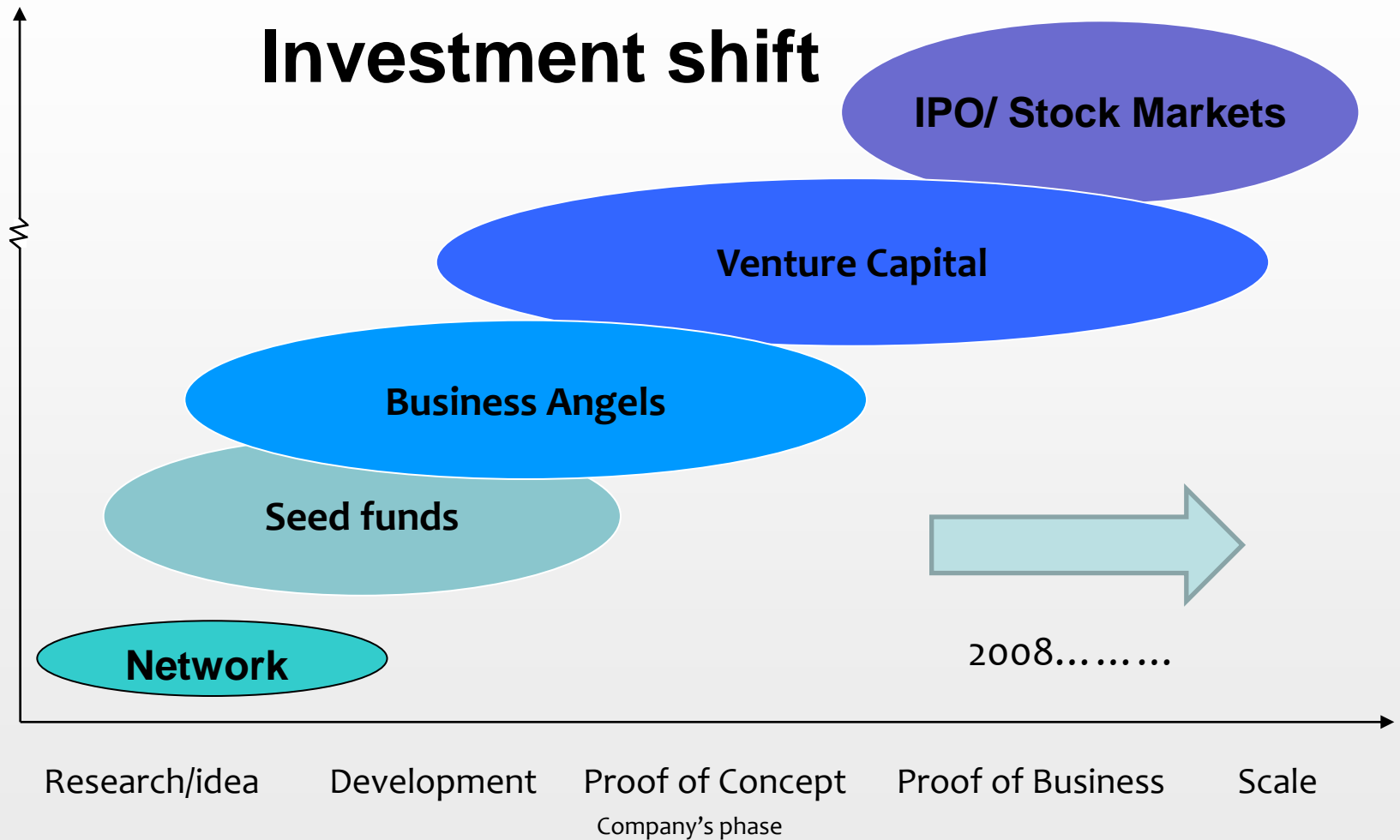
Challenges – in Europe

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**

Capital needed

Investment shift



Research/idea

Development

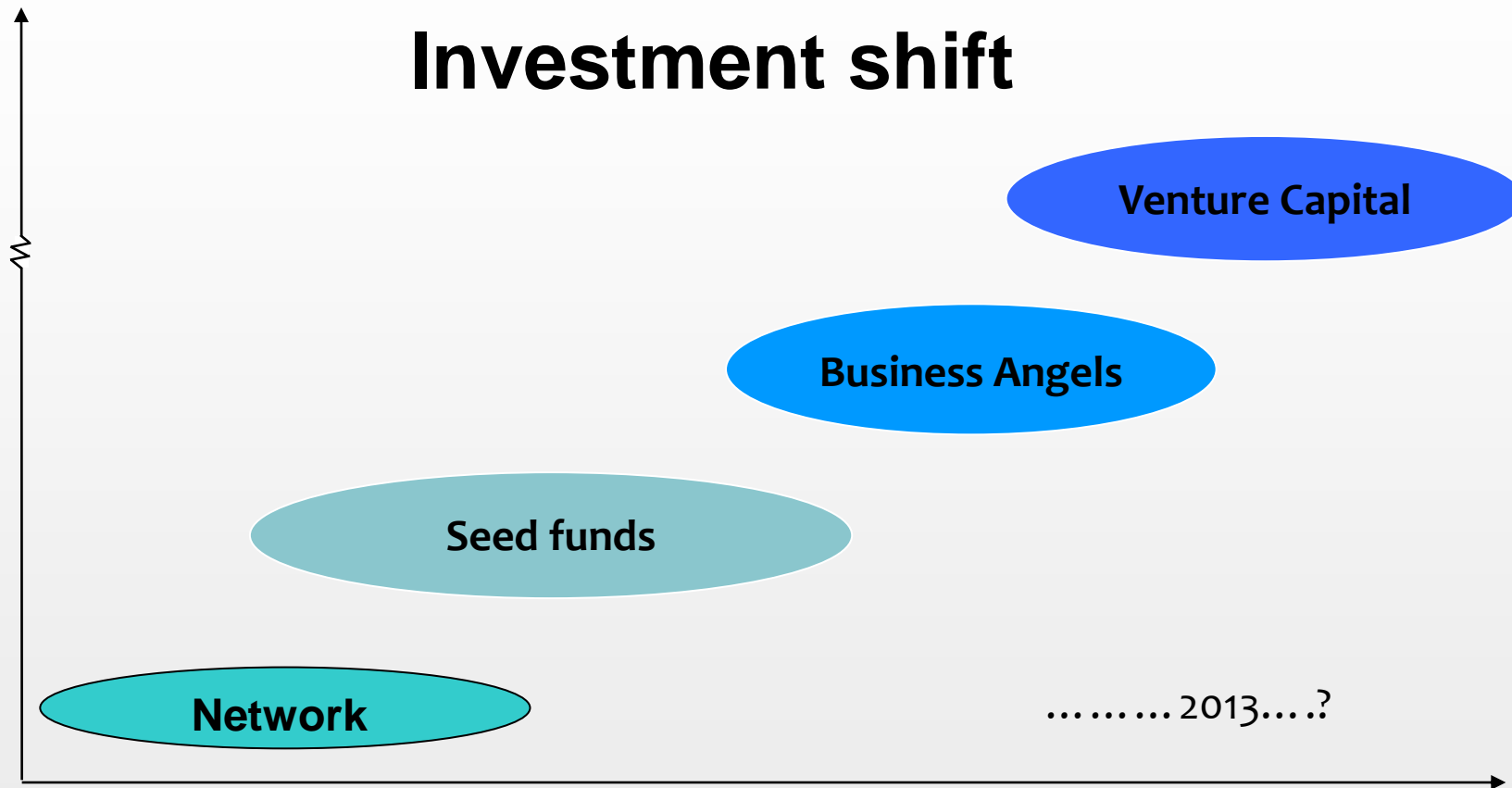
Proof of Concept
Company's phase

Proof of Business

Scale

Capital needed

Investment shift



Research/idea

Development

Proof of Concept

Proof of Business

Scale

Company's phase

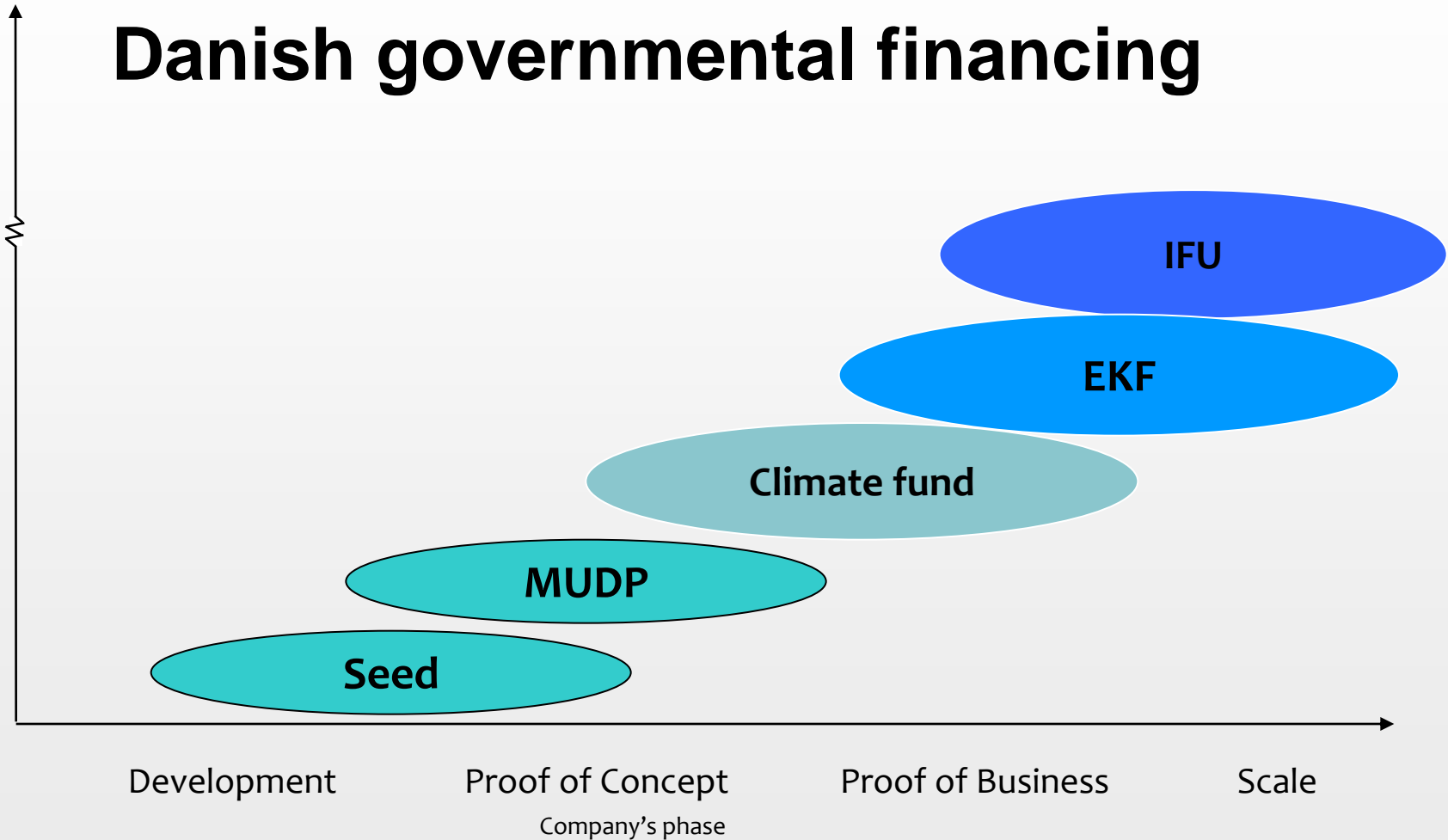
Challenges – in China

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**

Capital needed

Danish governmental financing

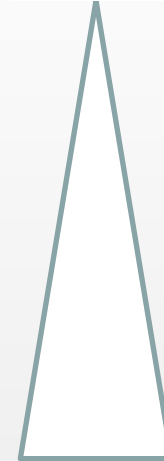


Decide on the type of financing



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

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