



UNIVERSIDAD  
POLITÉCNICA  
DE MADRID

Workshop

# Startups & Fundraising

Or how to get money to market  
your research results!

Alejandro Fernández-Muñoz

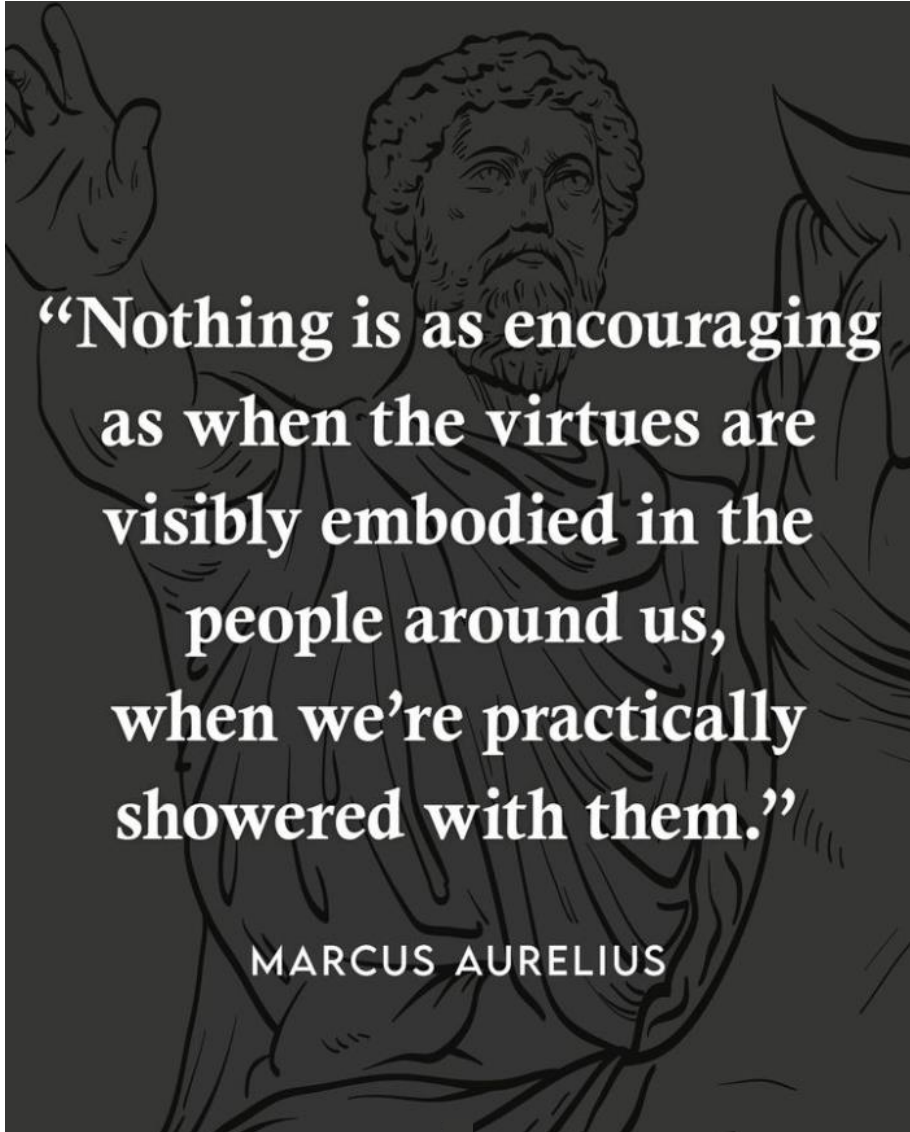
Innovation & Technology Transfer Node

13<sup>th</sup> March 2023 · Online



Co-funded by  
the European Union

**Why are you attending  
this workshop?**



**“Nothing is as encouraging  
as when the virtues are  
visibly embodied in the  
people around us,  
when we’re practically  
showered with them.”**

MARCUS AURELIUS

# Who we help



## In need to exploit your results

And want to explore new ways?

## Eager to market your results

But don't know where to start?

Did you know that Biotech startups' fundraising reached historical records in 2020?



€15 billion



\$72 billion

# What we offer

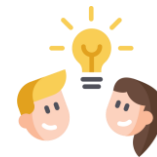


Discover the possibilities of the startup world with our Startups & Fundraising report

## BENEFITS



Clear the noise around the concept of startup



Get a comprehensive approach to a startup's fundraising stages, agents and instruments



Take action and explore a list of +100 potential investors

# Today's Index

Concept of Startup

Startup fundraising

Stages

Agents

Instruments

How to explore the list  
of +100 potential investors

Some advice to engage  
with investors



**Alejandro Fernández-Muñoz**

Market Analyst

HBP Innovation and Technology Transfer Node

B.Sc. in Physics

M. Res. in Nanophysics

M. Sc. in Innovation Economics and Management

Honoric Mention in Science and Technology

Spain's National Youth Awards 2022

**Your speaker**

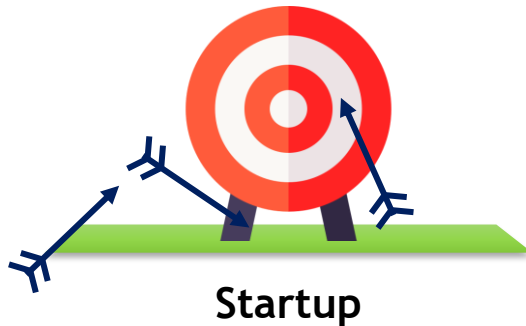
# Concept of Startup



Would you be able to define it?



= Business Model (how a company creates value for itself by provisioning products in return for profit)



Startup

A startup is an organization **seeking** to create, test, validate and improve **its business model**



Established company

An established company is an organization focused on **executing a successful business model**

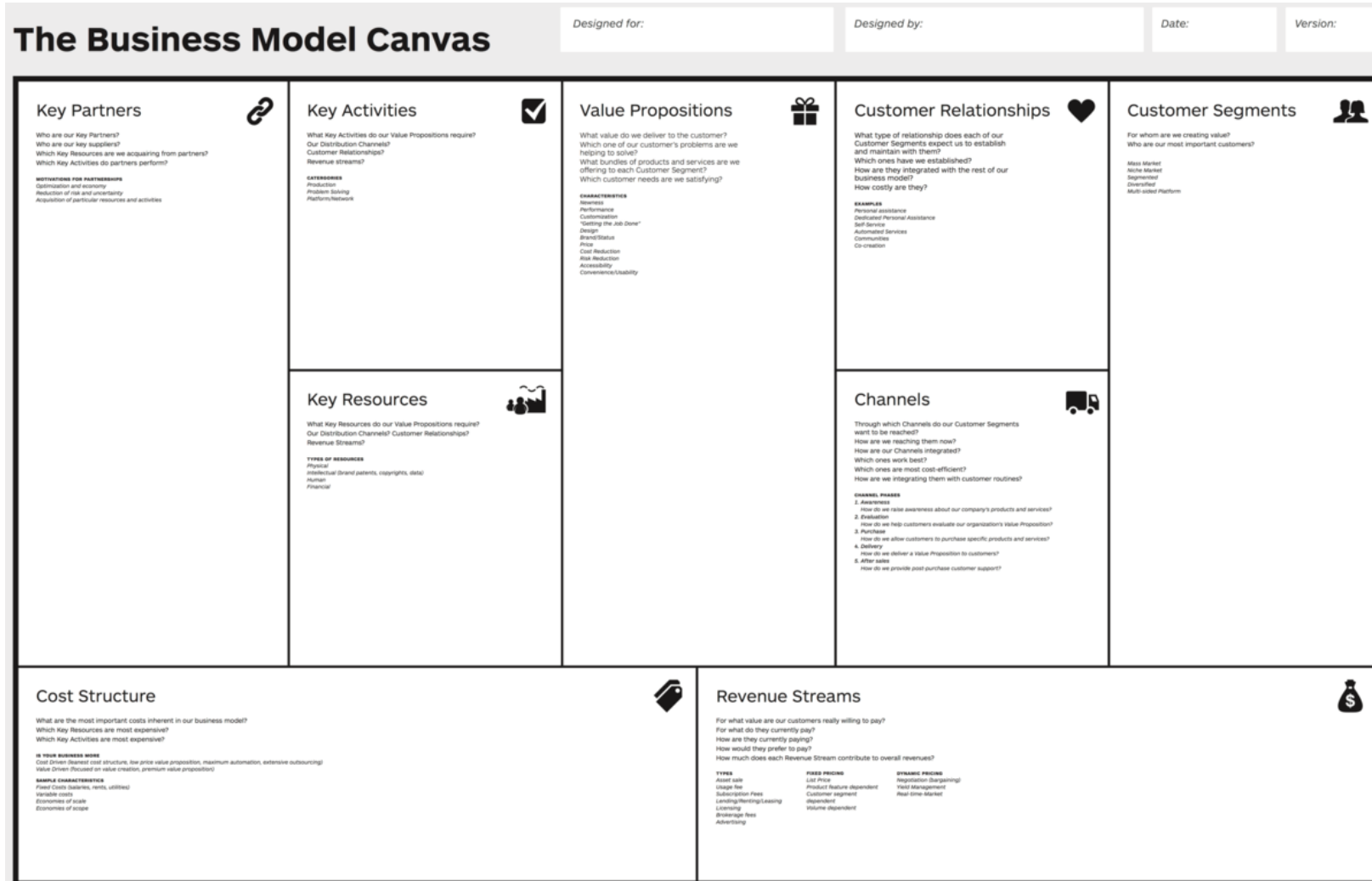
**Main difference:  
SEARCH vs EXECUTION  
of a successful business model**



# Concept of Startup



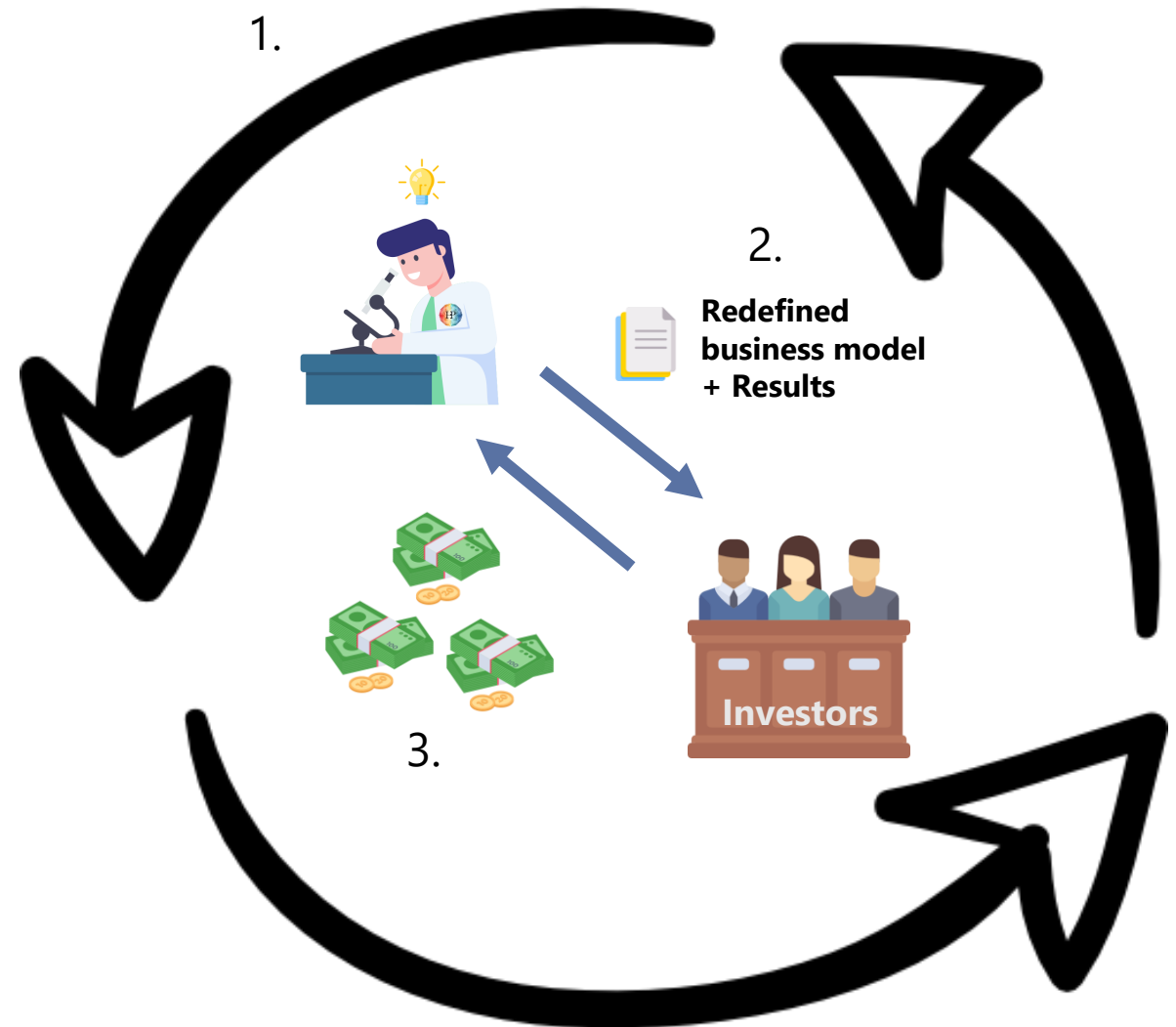
= Business Model (how a company creates value for itself by provisioning products in return for profit)



# Startup fundraising

## Why is it necessary?

1. Startup fundraising takes place in rounds (periods of operation covered by the funding raised at the beginning of each cycle)
2. Round after round, entrepreneurs **redefine** their startup's **business model**, (validating, discarding and discovering new elements)
3. Round after round, entrepreneurs invest the **resources** available and find themselves in **need for more**.





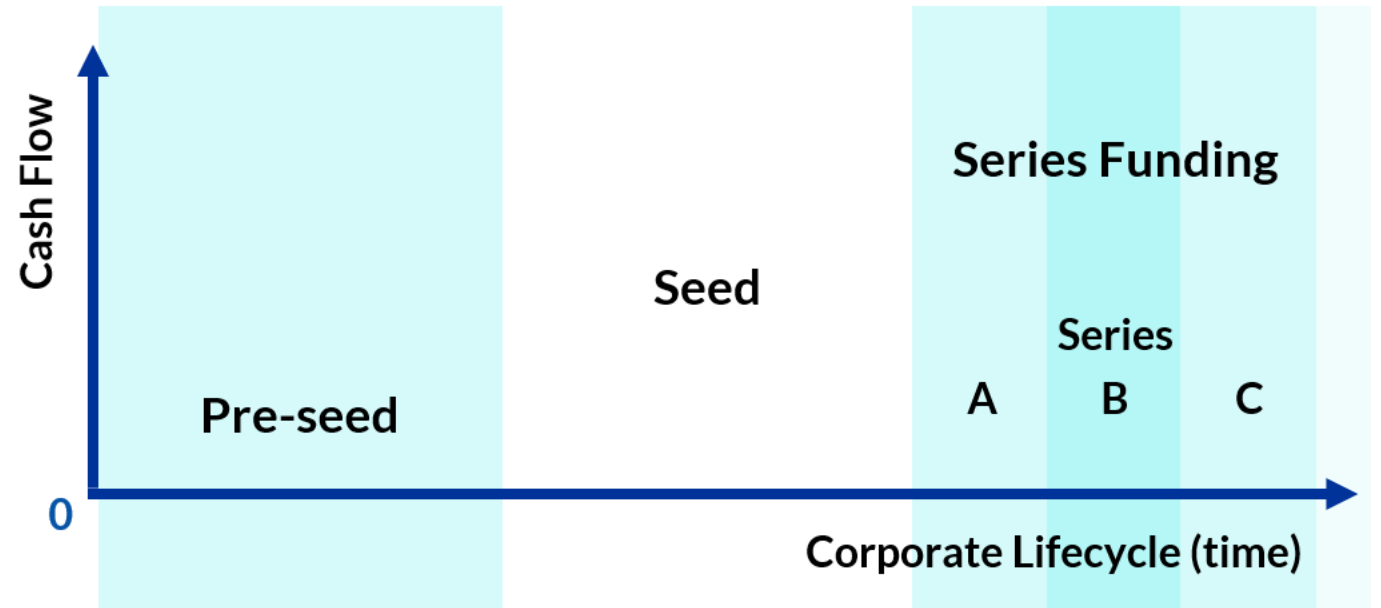
# Startup fundraising · Stages

Startup fundraising takes place in rounds  
(periods of operation covered by the funding  
raised at the beginning of each cycle)

The three first stages are the

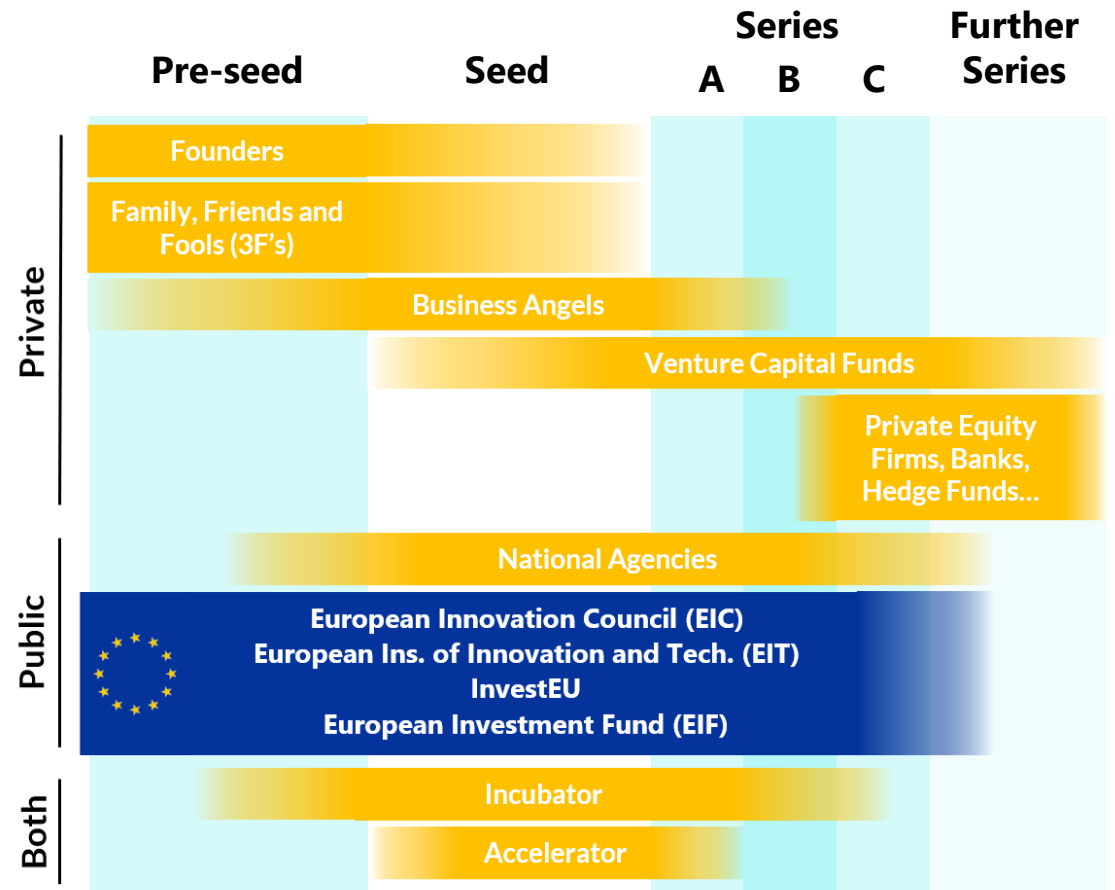
Pre-seed  
Seed  
and Series A

Fundraising stages normally  
involve a single round



# Startup fundraising · Agents

Main agents that take part in a startup's fundraising path



# Startup fundraising · Agents

## Business angels (BAs)



High net-worth individuals



With business experience



Who sometimes syndicate

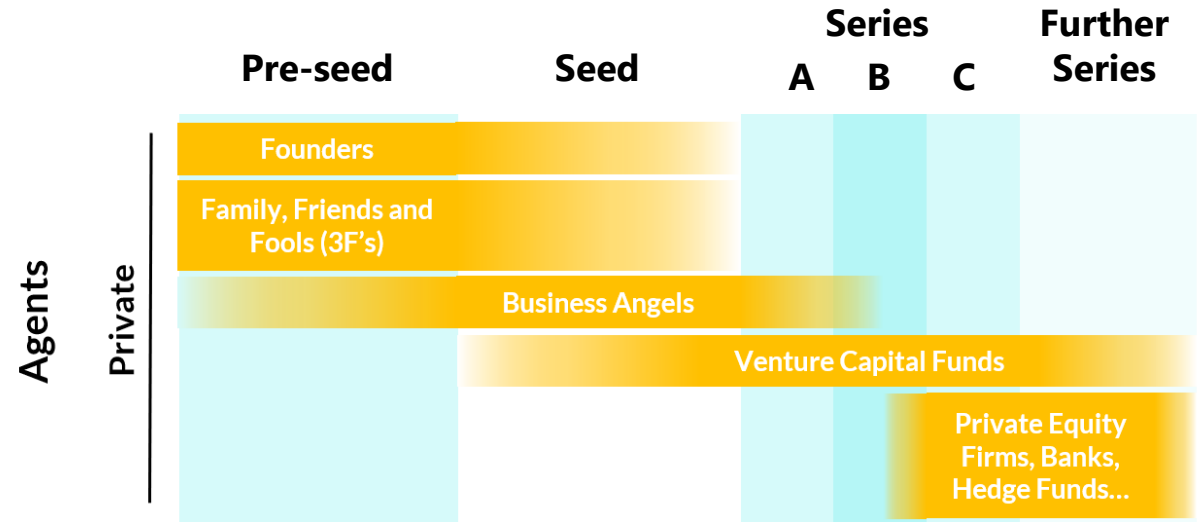
In 2020, European BAs investment rounds involved < €100k (30%) or €0.1-0.5 million (45%)<sup>1</sup>

**Access a list of over 120 BAs supported by European public funding in the report!**

Other private funding agents like private equity firms, banks, hedge funds, etc., which usually start investing after series A, are not addressed in this report.

<sup>1</sup> EBAN Statistics Compendium 2020. EBAN, 2021.

<sup>2</sup> Report Investing in Europe: Private Equity Activity 2021. Invest Europe, 2022.



## Venture capital (VC)

In 2021, VC invested €8.3 billion in early-stage European ventures<sup>2</sup>

**List of +90 VC funds included in the report!**

<sup>1</sup> Technology Readiness Level, a measurement of a scientific or technological development maturity. See the [HBP TRL Assessment guide](#) for + information

# Startup fundraising · Agents

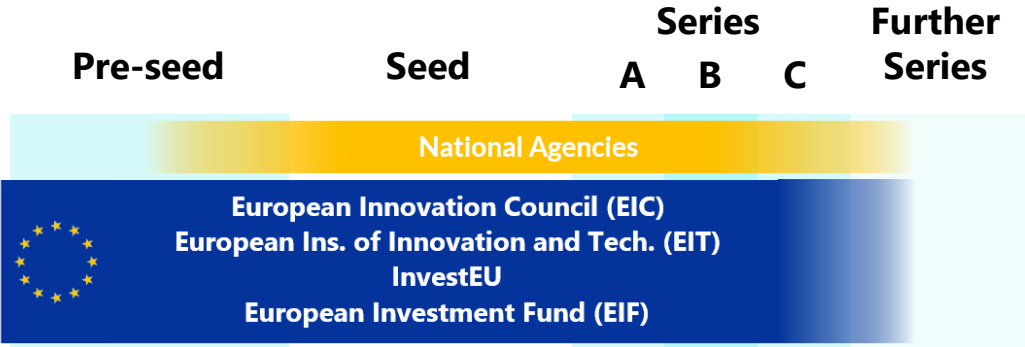
2023 update!

European Innovation Council



Agents

Public



**Pre-seed: the Pathfinder call**  
(early-stage technology research)

**Seed: the Transition call**  
(technology validation and spin-out)

**Series A: the Accelerator call**  
(commercialization and scale-up)

Pathfinder Open  
(€179.5 million)

Transition Open  
(€67.86 million)

Accelerator Open  
(€612,98 million)

Accelerator Challenges  
(€524,73 million)

TRL<sup>1</sup> 1 - 4 | Grants ≤ €3 million  
(more if properly justified)

TRL<sup>1</sup> 4 - 5 / 6 | Grants ≤ €2,5 million  
(more if properly justified)

TRL<sup>1</sup> 5 / 6 - 9 | Grants ≤ €2,5 million + €0,5 - 15 million in equity

Novel biomarker-based assays to guide personalized cancer treatment challenge

Pathfinder Challenges  
(€163.5 million)

Transition Challenges  
(€60.5 million)

Single startups and SMEs

Same TRL and grants of the Open mod.

Responsible electronics & Precision nutrition challenges

Micro-Nano-Bio devices for medical research applications & Chip-scale optical frequency combs challenges

TRL<sup>1</sup> 1 - 4 | Grants ≤ €4 million (more if properly justified)

Same TRL and grants of the Open mod.

**EIC also offers a core set of business acceleration services:** coaching + support to attend business trade fairs, pitch to corporates and public/private innovation procurers, compete in public innovation procurement or find co-investors.

# Startup fundraising · Agents

2023 update!



EIT Health

**Pre-seed**

EIT Digital

Agents



Startup competition (€1.5 million investment)

Bootcamps

MedTech

Women entrepreneurship

Patient innovation

Regulatory pathways to market

Innovation Factory

EIT Digital Venture Program

**Seed**

EIT Health



Startup training and competition (prize of €30k)



Mentoring and Coaching Network (to scale-up a healthcare product)

Pre-seed

Seed

Series A B C

Further Series



**Series A**

EIT Health



EIT Digital



Venture Centre of Excellence



BRIDGEHEAD

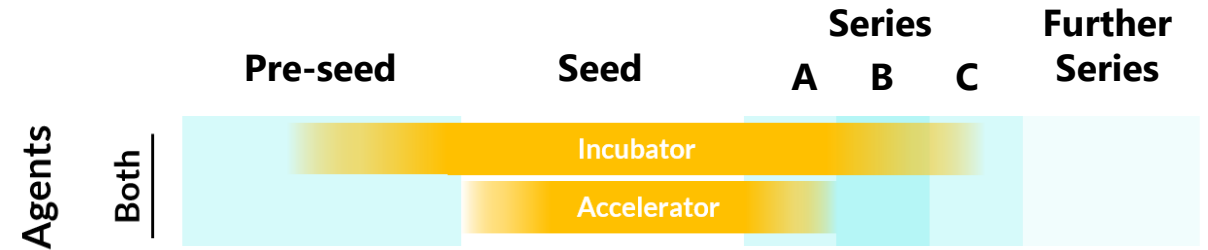


**Explore InvestEU's opportunities available in your country through the link provided in the report!**

# Startup fundraising · Agents

What are the main differences between accelerators and incubators?

(Cohen, S. (2013). What Do Accelerators Do?)

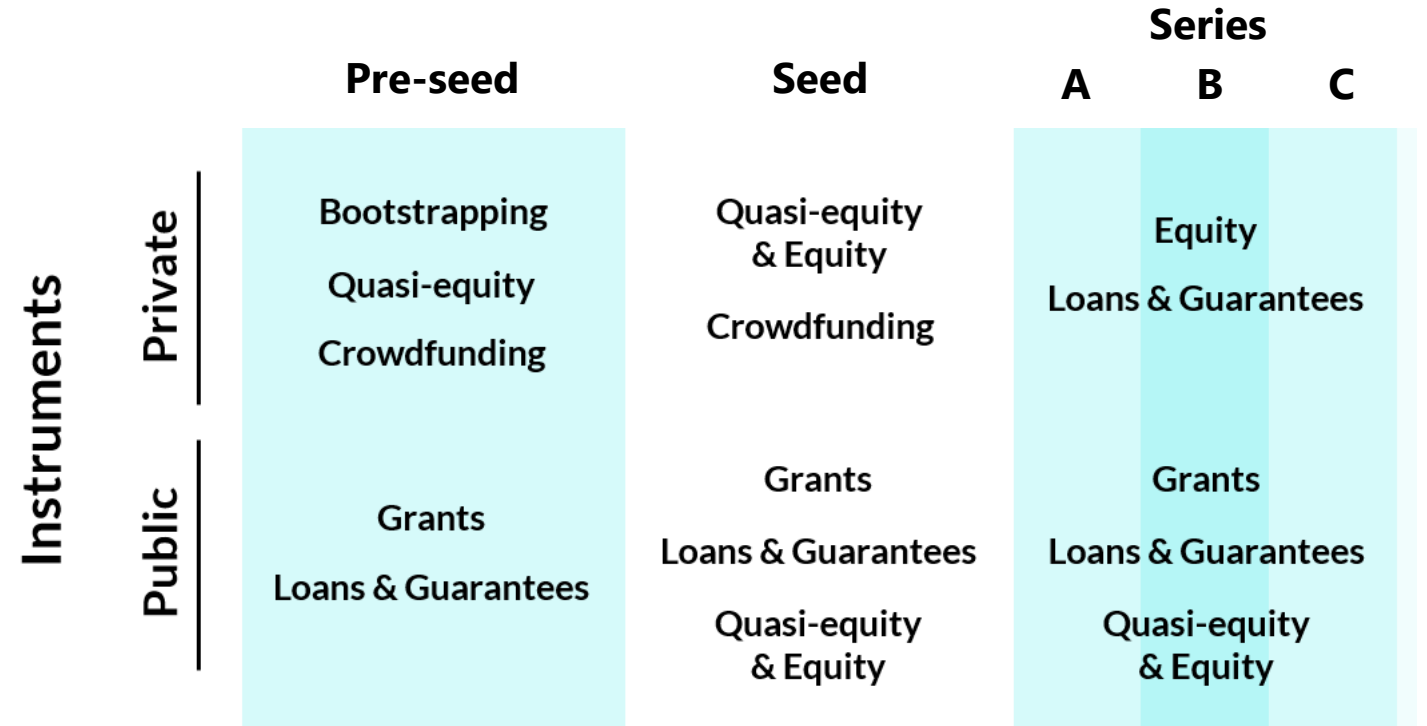


	<b>Accelerators</b>	<b>Incubators</b>
<b>Duration</b>	3 months	1 to 5 years
<b>Cohorts</b>	YES	NO
<b>Business Model (of the program)</b>	Investment, can also be non-profit	Rent, non-profit
<b>Selection</b>	Competitive, cyclical	Non-competitive
<b>Venture Stage</b>	Early	Early or late
<b>Education</b>	Seminars	Human resources, legal
<b>Mentorship</b>	Intense, by self and others	Minimal, tactical

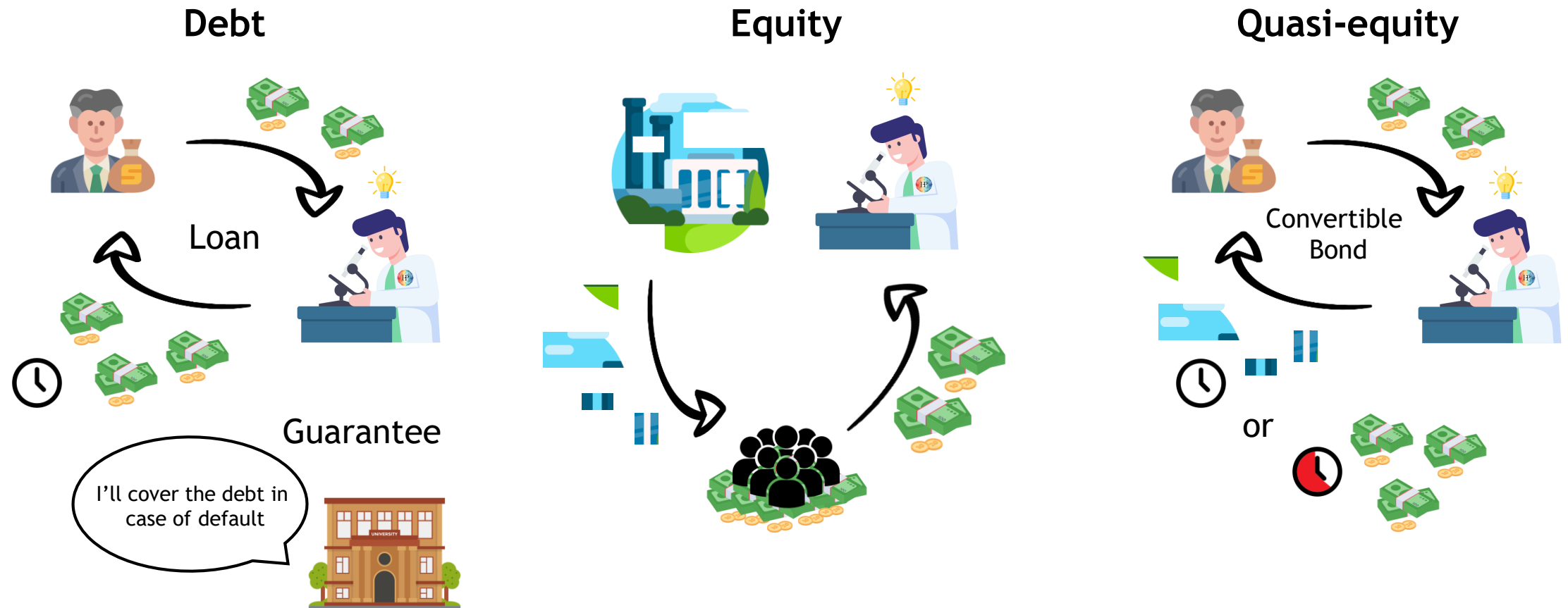


# Startup fundraising · Instruments

Main instruments that startups use to fundraise



# Startup fundraising · Instruments



**Discover more in the report!**

# How to explore the list of +100 potential investors



**Be aware of the location**  
(the further, the less probable the investment; yet note that the European market is cross-border)



**Development phase of the startup**  
(know the preferred investment stage of the investor you are targeting)



**Specialization of the investor**  
(investors sometimes specialize in certain industries)



**Reputation of the investor**  
(ask previously funded startups)



**Lifetime of the investor**  
(VC funds have a limited lifetime; the younger the VC fund, the more money left to be invested)

# Some advice to engage with investors

Know your market, your competitors and what makes you different from them

A “*warm*” introduction through a common contact is recommended, so that this third person can attest the entrepreneur’s worth and convince the investor to read a short paper describing the startup

Whether you have a common contact or not, have prepared an *elevator pitch* when you meet an investor: a succinct description (max. 2min) of what you do, how big the market is, what’s your progress, your unique insight, what’s your business model, who’s on your team and what do you want from the investor

Most startups would prefer to sign a non-disclosure agreement prior to letting an investor analyze it more deeply, a condition normally refused nowadays

# Questions?

Alejandro Fernández-Muñoz  
HBP Innovation & Technology Transfer Node



# Download the report!



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# Thank you!

[www.humanbrainproject.eu](http://www.humanbrainproject.eu)

[www.ebrains.eu](http://www.ebrains.eu)



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# Startup fundraising · Agents

2022-23  
comparison

European  
Innovation  
Council



## Pre-seed (early-stage technology research)

Pathfinder Open  
(€179.5 million)

TRL<sup>1</sup> 1 - 4 | Grants ≤ €3 million  
(more if properly justified)  
For comparison, in 2022: €183 million, grants ≤ €3 M

Pathfinder Challenges  
(€163.5 million)

Responsible electronics & Precision nutrition challenges

TRL<sup>1</sup> 1 - 4 | Grants ≤ €4 million (more if properly justified)  
For comparison, in 2022: €167 million, same grants, HealthTech challenge

## Seed (technology validation and spin-out)

Transition Open  
(€67.86 million)

TRL<sup>1</sup> 4 - 5 / 6 | Grants ≤ €2,5 million (more if properly justified)  
For comparison, in 2022: €70,9 million, grants ≤ €2,5 M

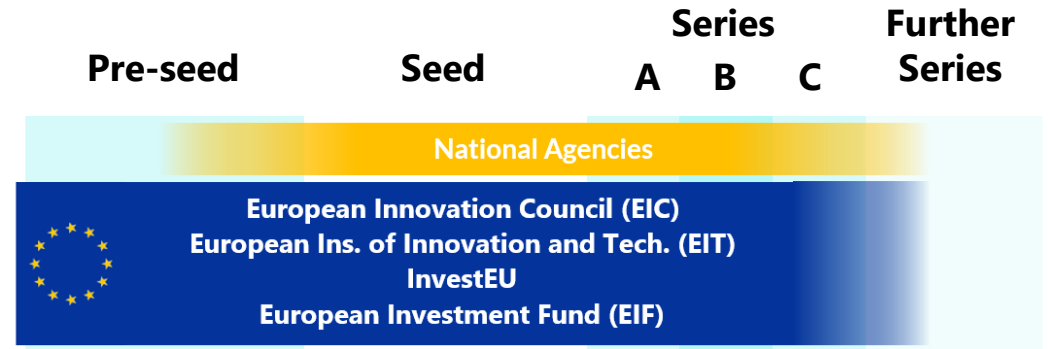
Transition Challenges  
(€60.5 million)

Micro-Nano-Bio devices for medical research applications & Chip-scale optical frequency combs challenges

Same TRL and grants of the Open mod.  
For comparison, in 2022: €60,5 million, same grants, RNA-based therapies and diagnostics challenge

Agents

Public



## Series A (commercialization and scale-up)

Accelerator Open  
(€612,98 million)

TRL<sup>1</sup> 5 / 6 - 9 | Grants ≤ €2,5 million + €0,5 - 15 million in equity  
Single startups and SMEs  
For comparison, in 2022: €630,9 million, grants ≤ €2,5 M

Accelerator Challenges  
(€524,73 million)

Novel biomarker-based assays to guide personalised cancer treatment challenge  
Same TRL and grants of the Open mod.  
For comparison, in 2022: €536,9 million, grants ≤ €2,5 M