

WELCOME TO THE WEBINAR: START-UP INNOVATION PROJECTS

INNOSUISSE

23.02.2023



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Innosuisse – Swiss Innovation Agency

START-UP INNOVATION PROJECTS

- 09:00 Welcome & introduction
- 09:05 Information on the new start-up instrument and application process, Nicolas Martin
- 09:20 Due Diligence process, Jörn Graf
- 09:35 Q&A moderated by Eliane Kersten
- 10:00 End



Nicolas Martin
Co-Leader Innovation Projects



Jörn Graf
Corporate Finance Manager



Moderation: Eliane Kersten
Co-Head of Communications

START-UP INNOVATION PROJECTS: INFORMATION AND APPLICATION PROCESS

NICOLAS MARTIN



Schweizerische Eidgenossenschaft
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DIRECT PROJECT PROMOTION PRIOR TO MARKET ENTRY



GOAL

- Financial support for start-ups **prior to market entry** in realising science-based innovation projects
- Preparing start-ups for **entering the market for the first time**
- Bringing new products and services **onto the market quickly and efficiently.**

- Direct financial support for start-ups
- Part of the permanent funding portfolio of Innosuisse
- Applications can be submitted to Innosuisse throughout the year
- Details about conditions and online platform - Innolink: [website](#)

Online portal
is available
for
submission
since
14.02.2023

START-UP INNOVATION PROJECTS

NEW FUNDING INSTRUMENT

START-UP INNOVATION PROJECTS

ELIGIBLE START-UPS:

- **Have not yet entered the market** and do not yet offer any fully developed products or services on the market
- **Have a scalable business model**, with the potential for more than linear growth
- Were founded less than **5 years ago** (in justified exceptional cases, start-ups founded up to 10 years ago may also be eligible)
- Have a registered office in Switzerland
- Have fewer than **50 full-time equivalents (FTE) at the time the application is submitted**

ELIGIBLE PROJECTS:

- Innovation projects are based on **application-oriented research**
- Innovations can be **quickly launched on the market after completion of the project**
- **Evaluation criteria in line with those of standard innovation projects** plus proof of financial capacity to provide the envisaged own contribution
- Max. financial contribution from Innosuisse: **70% of direct project costs, start-up bears at least 30% of costs as own contribution**
- Maximum project duration: **36 months**

● **Neither consortia nor projects by university research groups are eligible**

FOR A START-UP INNOVATION PROJECT A GOOD APPLICATION IS...

INNOVATION DEGREE

- Innovative content is clearly identifiable in relation to current state of knowledge and the available solutions
- Based on application-oriented research and feasibility study
- Scalability of product or service
- Transition from prototyping and validation to first market launch
- Freedom To Operate – FTO – is demonstrated (no obvious conflict with existing patents)

VALUE CREATION

- Timing: market conditions, trends, proof of early market traction
- Competition and USP
- Commercialization strategy incl. business and revenue model
- Go to market strategy (implementation of your business model)
- Sustainable development
- Value creation in Switzerland for the economy and society
- Convincing cost-benefit ratio

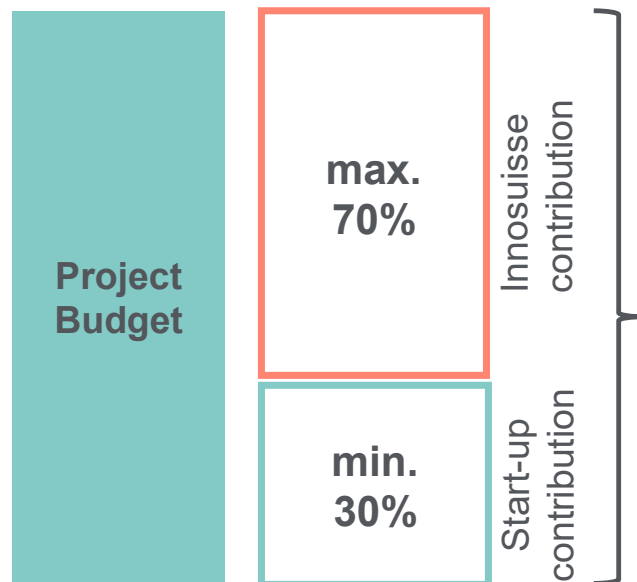
PROJECT SETUP

- Meaningful project methodology (testing in a relevant environment with relevant stakeholders)
- Project planning is realistic and consistent
- Milestones are set reasonably and goals are described quantitatively
- Team with required resources and skills (technical skills and business expertise)
- Risk management: identification of potential project failure risks and mitigation plan

 **Financial capacity will be checked with a Financial Due Diligence assessment**

PROJECT BUDGET

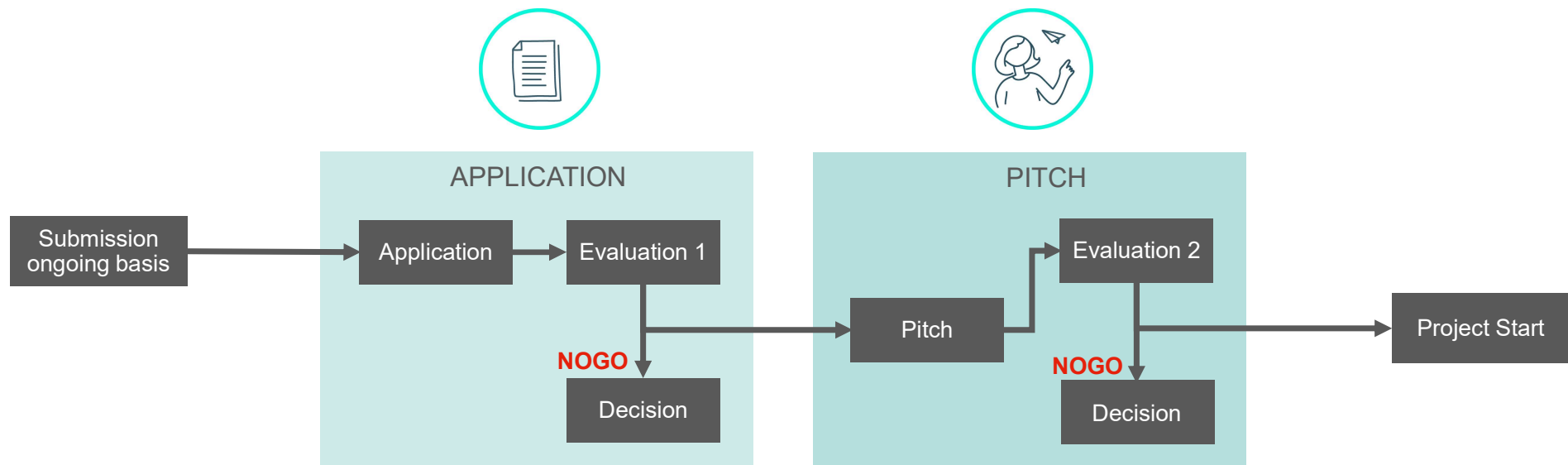
Only **eligible costs** count in project budget, in-kind contributions are not accounted for:



Costs that are **actually incurred and necessary** for the project:

- **Personnel costs:** salaries of the project team members in accordance with their hourly workload in the project including employer social contributions;
- **Material costs:** procurement of infrastructure necessary for the project, if not part of basic infrastructure of company, market research and resulting activities (pricing models, IP management), third-party services specific and critical for the success of the project, necessary cross-border travel;
- **Not eligible:** costs with no impact on the shaping of the final product or service, for example: customer acquisition, marketing, building up branch office in new market etc.

2-STEPS EVALUATION PROCESS



- Application should be submitted 8 weeks before meeting dates
The [dates for the pitch](#) have already been defined

THE DIFFERENCES WITH SWISS ACCELERATOR

Differences	Swiss Accelerator innovation projects	Start-up innovation projects
1. CUSTOMERS	Established SMEs and start-ups up to 250 FTEs after market entry	Start-ups up to 50 FTEs prior to market entry
2. PROJECTS	<ul style="list-style-type: none"> • Innovation project with a potentially scalable product or service • Innovation project is already close to market launch • Accelerate the growth of Swiss companies already established on the market 	<ul style="list-style-type: none"> • Development of a scalable product or service • Application-oriented research/development that prepares for rapid implementation on the market
3. CALL FOR PROJECTS	1 call per year planned	Submissions ongoing
4. PROJECT DURATION	Unlimited	Max. 36 months
5. DURATION	Transitional measure only until Switzerland's re-association with Horizon Europe	Part of the permanent funding portfolio of Innosuisse

YOUR CONTACTS FOR INNOVATION PROJECTS



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4 TAKE AWAYS

- Your start-up is preparing **to enter the market for the first time**, ready-developed products or services are not yet offered on the market → **Neither consortia nor projects by university research groups are eligible**
- The start-up innovation projects is a highly competitive instrument and is **a fixed component** of the Innosuisse funding portfolio → **No hurry to submit your application**
- Your applications must be of **very high quality** both in terms of content and completeness → **High quality is important, don't submit incomplete or sub-par applications**
- Application should be submitted **8 weeks before meeting dates**, we will do our best to ensure that your proposal is decided at the next meeting → However, there is **no guarantee** of this, depending on the number of applications submitted

FINANCIAL DUE DILIGENCE

JÖRN GRAF



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Definition in the business context

Research and analysis of a company or organization done in **preparation for a business transaction** (such as a corporate merger or purchase of securities).

Source: Merriam-Webster



- Fiduciary duty
- Comprehensive view of project and company
- Understand drivers and assumptions
- Expected impact on cash flows, profitability
- Risk profile
- One element of many

- In this section we will provide an overview of the financial application file.
- An excel file with various sections will guide you through the required steps.
- This excel file is available as a download in our Innolink tool:

Application – 5. Project Setup – Financial Data

Information on completing this excel file for the financial part of the application

A GENERAL INFORMATION
The fields that must be filled in are highlighted red (see legend below).

B TABLE OF CONTENTS

B.1 Company data: Requests relate to the entire company (not only to the project).

Description
1 Financial Overview Questions
2 Historical BS
3 Historical PL
4 Ownership Structure
5 Debt and Grants
6 Cash Flow Planning
7

C LEGEND

Description
On cells that are highlighted red either i) the cell is required to be filled out or ii) a selection needs to be made.
2000 Values in italics link to another tab. Please refer to that particular tab for any changes.
Error: Calculation error - please review your input again.
Greyed out cells - no input required.
Calculated cell - no input required.
Calculated cell - no input required.
Calculated cell - no input required.

- Certain ranges of cells are locked to ensure consistency of the data across all applications submitted to Innosuisse.

- We ask you to refrain from any attempts to unlock any of the worksheets.

- Files which were tampered with or which exhibit changed formulae or adapted worksheets **will not be considered**.

A_General information

Information on completing this excel file for the financial part of the application

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Description

- 1 [Financial Overview Questions](#)
- 2 [Historical BS](#)
- 3 [Historical PL](#)
- 4 [Ownership Structure](#)
- 5 [Debt and Grants](#)
- 6 [Cash Flow Planning](#)
- 7



C LEGEND

Description

	On cells that are highlighted red either i) the cell is required to be filled out or ii) a selection needs to be made.
2'000	Values in italics link to another tab. Please refer to that particular tab for any changes.
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- Files which were tampered with or which exhibit changed formulae or adapted worksheets **will not be considered**.

- Tables are locked to ensure the integrity of the calculations
- Beware of inadvertently moving input cells → risk of issues with calculations

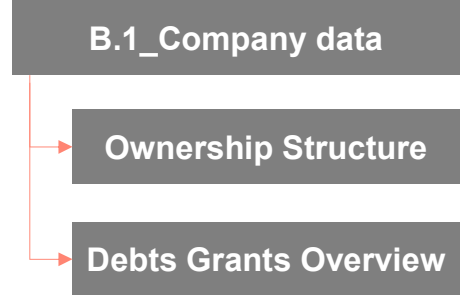
B.1_Company data

Financial overview questions

Financial Overview		
1.0 Questions		
No.	Question	Answer
Q1	Did fiduciaries, accountants, legal/tax advisor or/and an auditor assist you in preparing this excel file?	Select answer
Q2	If yes, by whom?	
Q3	Are the annual financial statements being audited?	Select answer
Q4	If yes, what kind of audit type was performed (select answer)?	
Q5	Which accounting standards are applied?	Select answer
Q6	Is a documentation on the internal control system available? Internal controls are the mechanisms, rules, and procedures implemented by a company to ensure the integrity of financial and accounting information, promote accountability, and prevent fraud.	Select answer
Q7	Are the financial statements prepared internally (e.g. via internal finance team) or externally (e.g. by a fiduciary)?	Select answer
Q8	If externally, who is the external provider?	
Q9	If internally, who is responsible for the preparation of the financial statements?	
Q10	If internally, what is the highest education related to finance this person has obtained? (Please describe)	

1
Dropdowns incorporated throughout the file

2
Text fields should be used to provide crisp comments allowing the evaluators to grasp your story.



Ownership Structure

1.0 Capitalization table

If an individual shareholder has a >10% capital share, please provide the details in the table below, Irrespective of the 10% threshold mentioned above, add all shareholders that are sanctioned according to the following SECO ("State Secretariat for Economic Affairs"/"Staatssekretariat für Wirtschaft") - Searching for subjects of sanctions (provided by SECO) [Link - SECO List](#)

No.	Name	Capital %	Voting rights in %	Investor type	Share type	SECO list?	Nationality / Country
1							Select answer
2							Select answer
3							Select answer
4							Select answer
5							Select answer
6							Select answer
7				Select answer	Select answer	Select answer	Select answer
8				Select answer	Select answer	Select answer	Select answer
9							Select answer
10							Select answer
11							Select answer
12							Select answer
13							Select answer
14							Select answer
15							Select answer

I hereby confirm that all shares belonging to shareholders on the SECO sanction list are stated as follows:

Select:

2.0 Other questions

No.	Question	Y/N	If yes, please explain
Q1	Are there currently any VC funds or angel investors invested in the company?	Select answer	
Q2	Are any stock option plans, phantom stock option plans, etc. in place?	Select answer	
	If yes, please explain the plan including respective vesting periods per plan / employee.		
	Are there any changes to the capital structure (such as future investments etc.) planned?	Select answer	

1 All data is treated in a most confidential manner

Debt / Grants Overview

1.0 Overview of existing debt

No.	Debt type	Nominal amount in CHF	Drawn amount in CHF as of 31 December 2022	Maturity date	Convertible? (Y/N)	Underlying
1	Select answer				Select answer	Select answer
2	Select answer				Select answer	Select answer
3	Select answer				Select answer	Select answer
4	Select answer				Select answer	Select answer
5	Select answer				Select answer	Select answer
6	Select answer				Select answer	Select answer
7	Select answer				Select answer	Select answer
8	Select answer				Select answer	Select answer
9	Select answer				Select answer	Select answer
10	Select answer				Select answer	Select answer
11	Select answer				Select answer	Select answer
12	Select answer				Select answer	Select answer
13	Select answer				Select answer	Select answer
14	Select answer				Select answer	Select answer
15	Select answer				Select answer	Select answer

2.0 Overview of existing grants

*Note that this includes, whether it relates to an Innosuisse grant, comprises both existing grants (already received/approved) and grants expected to be received / approved during the project period

No.	Grant name	Start date	End date	Comment	Innosuisse grant? Y/N	Current status
1					Select answer	Select answer
2					Select answer	Select answer
3					Select answer	Select answer
4					Select answer	Select answer
5					Select answer	Select answer
6					Select answer	Select answer

3 Debts (types, maturity, etc.)

4 Grants (types, maturity, etc.)

5 Convertibles?

2 Please provide insights into your funding strategy

B.1_Company data

Cash Flow Planning

Cash Flow Statement - Company (incl. Project)

- Figures are required to be filled out in CHF (if not stated otherwise). In case that specific balances do not exist - enter "0".
- You may use the formulas provided to accelerate data input.
- Note that the Cash Flow Statement refers to the company as a whole and therefore also considers the project(s) for which the "Start-up
- A split of cash flow items between project- and non-project related items is only requested on revenue level. Total revenues comprise i)
- For revenues of the Project: Please choose one of the following two planning methodologies. Selected fields to be filled out will be marked (i) Price-Volume: Please ungroup (+) the rows starting from 16 on. Price-volume method assumes a maximum number of 20 products. In (ii) Top-down approach: Assumes any other methodology, e.g. project based.
- Please show cash inflows in positive numbers and cash outflows in negative numbers.

1 Cash flow planning for the entire company including the project

Currency: CHF	Input name	Input data	2019	ACTUAL (if applicable)				2023	2024
Planning methodology for project revenues:	Selection required.								
Total - Price-Volume Method	Revenue PVM						0.00	0.00	
Top-down planning	Revenue TDP								
Revenues Project	Revenues Project						0.00	0.00	
Revenues from "Other Business"	Revenue Other								
Total revenues			0.00	0.00	0.00	0.00	0.00	0.00	
Cost of materials, goods and services			0.00	0.00	0.00	0.00			
Personnel expenses			0.00	0.00	0.00	0.00			
Operating expenses			0.00	0.00	0.00	0.00			
EBITDA			0.00	0.00	0.00	0.00	0.00	0.00	
Depreciation and amortization			0.00	0.00	0.00	0.00			
EBIT			0.00	0.00	0.00	0.00	0.00	0.00	
Financial income (incl. non-dilutive grants)			0.00	0.00	0.00	0.00			
			0.00	0.00	0.00	0.00			
			0.00	0.00	0.00	0.00			
			0.00	0.00	0.00	0.00			
Interest rate (enter rate in %)	10%		0.00	0.00	0.00	0.00			
			0.00	0.00	0.00	0.00			
			0.00	0.00	0.00	0.00			
			0.00	0.00	0.00	0.00			
Days receivables / Days sales outstanding in days	40		n.a.	0.00	0.00	0.00	0.00	0.00	
Days payables / Days payables outstanding in days	40		n.a.	0.00	0.00	0.00	0.00	0.00	
Days inventory outstanding in days	40		n.a.	0.00	0.00	0.00	0.00	0.00	
Other NWC in % revenue	5.0%		n.a.	0.00	0.00	0.00	0.00	0.00	
Total change in NWC			n.a.	0.00	0.00	0.00	0.00	0.00	
CASH FLOWS			2019	2020	2021	2022			
EBITDA			n.a.	0.00	0.00	0.00			
Taxes			n.a.	0.00	0.00	0.00			
Change in long-term provisions			n.a.						
If relevant: Change in non-cash relevant items (e.g. gain from sale of property, plant and equipment, etc.)			n.a.						
Change in NWC			n.a.						
Cashflows from operating activities									
Change in plant and equipment									

2 Select either top-down revenue or volume-price per major sales items

4 Actuals are filled in based on the numbers captured in «Historical BS and PL»

- 3**
- Differentiation between project and company sales
 - No need to split the other items (P&L, BS)



- Cash inflows: positive numbers
- Cash outflows: negative numbers

B.1_Company data

Cash Flow Planning

Currency: CHF	Input name	Input data	ACTUAL (if applicable)					
			2019	2020	2021	2022	2023	2024
1	Tax rate: either enter your specific rate or let the table apply a standard rate of 20%							
Financial income (incl. non-dilutive)			0.00	0.00	0.00	0.00		
Financial expenses (interest)			0.00	0.00	0.00	0.00		
Non-operating income/expenses			0.00	0.00	0.00	0.00		
Extraordinary result			0.00	0.00	0.00	0.00		
EBT			0.00	0.00	0.00	0.00	0.00	0.00
Taxes			0.00	0.00	0.00	0.00	0.00	0.00
Net result			0.00	0.00	0.00	0.00	0.00	0.00
Change in NWC	NWC KPIs							
Change in trade accounts receivable	Payment terms receivables / Days sales outstanding in days		n.a.	0.00	0.00	0.00	0.00	0.00
Change in trade accounts payable	Payment terms payables / Days payables outstanding in days		n.a.	0.00	0.00	0.00	0.00	0.00
Change in inventory	Days inventory outstanding in days		n.a.	0.00	0.00	0.00	0.00	0.00
Change in other NWC	Other NWC in % revenue		n.a.	0.00	0.00	0.00	0.00	0.00
Total change in NWC			n.a.	0.00	0.00	0.00	0.00	0.00
CASH FLOWS								
EBITDA			n.a.	0.00	0.00	0.00	0.00	0.00
Taxes			n.a.	0.00	0.00	0.00	0.00	0.00
Change in long-term provisions			n.a.	0.00	0.00	0.00	0.00	0.00
If relevant: Change in non-cash relevant items (e.g. gain from disposal of non-current assets)			n.a.	0.00	0.00	0.00	0.00	0.00
Change in NWC			n.a.	0.00	0.00	0.00	0.00	0.00
Cashflows from operating activities			n.a.	0.00	0.00	0.00	0.00	0.00
Investment in property, plant and equipment			n.a.					
Disposal of property, plant and equipment			n.a.					
Other investing-related (if relevant)			n.a.					
Cashflows from investing activities			n.a.	0.00	0.00	0.00	0.00	0.00
Proceeds from non-dilutive grants			n.a.					
Proceeds from debt			n.a.					
Repayment of debt			n.a.					
Proceeds from issuance of equity			n.a.					
Interest paid			n.a.					
Dividend paid			n.a.					
Other financing-related (if relevant)			n.a.					
Cashflows from financing activities			n.a.					
Cash-inflows from INNOSUISSE GRANT			n.a.					
Net Change in Cash								
at year-end								

2

Net working capital: table calculates the changes y-o-y for the history; # days required for forecasting period

3

Please pay attention to cash flows from operations and investments – entries required for past and future

B.1_Company data

Cash Flow Planning

Currency: CHF	2022	2023	2024	2025	2026	2027	2028
Revenues Project		0.00	0.00	0.00	0.00	0.00	0.00
Revenues from "Other Business"							
Total revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cost of materials, goods and services	0.00						
Personnel expenses	0.00						
Operating expenses	0.00						
EBITDA				0.00			0.00
Depreciation and amortization							
EBIT				0.00			0.00
Financial income (incl. non-dilutive grants)							
Financial expenses (interest)							
Non-operating income/expenses							
Extraordinary result	0.00						
EBT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net result	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in NWC							
Change in trade accounts receivable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in trade accounts payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in other NWC	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total change in NWC	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOWS							
EBITDA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in long-term provisions	0.00						
If relevant: Change in non-cash relevant items (e.g. gain from sale of)							
Change in NWC	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashflows from operating activities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment in property, plant and equipment							
Disposal of property, plant and equipment							
Other investing-related (if relevant)							
Cashflows from investing activities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Proceeds from non-dilutive grants							
Proceeds from debt							
Repayment of debt							
Proceeds from issuance of equity							
Interest paid							
Dividend paid							
Other financing-related (if relevant)							
Cash-inflows from INNOSUISSE GRANT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in Cash	0.00	0.00	0.00	0.00	0.00	0.00	0.00

i Top-down / volume-price selection

i Forecast financials as of 2023 til 2028 (5 full business years)

1 Grant – expected cash inflows to be added

KEY TAKE AWAYS

- Consider the Financial File as an **essential tool** to think in a structured way about your **relevant business drivers** and **assumptions**. It **distills the outcome of your strategy**.
- Objectives of the financial due diligence:
 - **financing requirements** are clearly identified
 - medium-term **expenditure framework**
 - deal with the **drivers and assumptions** of a (project) business case
- Cash is king - focus on the cash generation of your project/company.

REMINDER

- **Recording:** The webinar has been recorded and will be published in the next days on our website.
- **More questions?** Write an e-mail to innoprojects@innosuisse.ch



THANK YOU

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