

# Venture Capital and SME Financing Small and Medium Entrepreneurs Union, 23 June 2010




EVCA, The Voice of European Private Equity Industry since 1983







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# Venture capital investing and SMEs

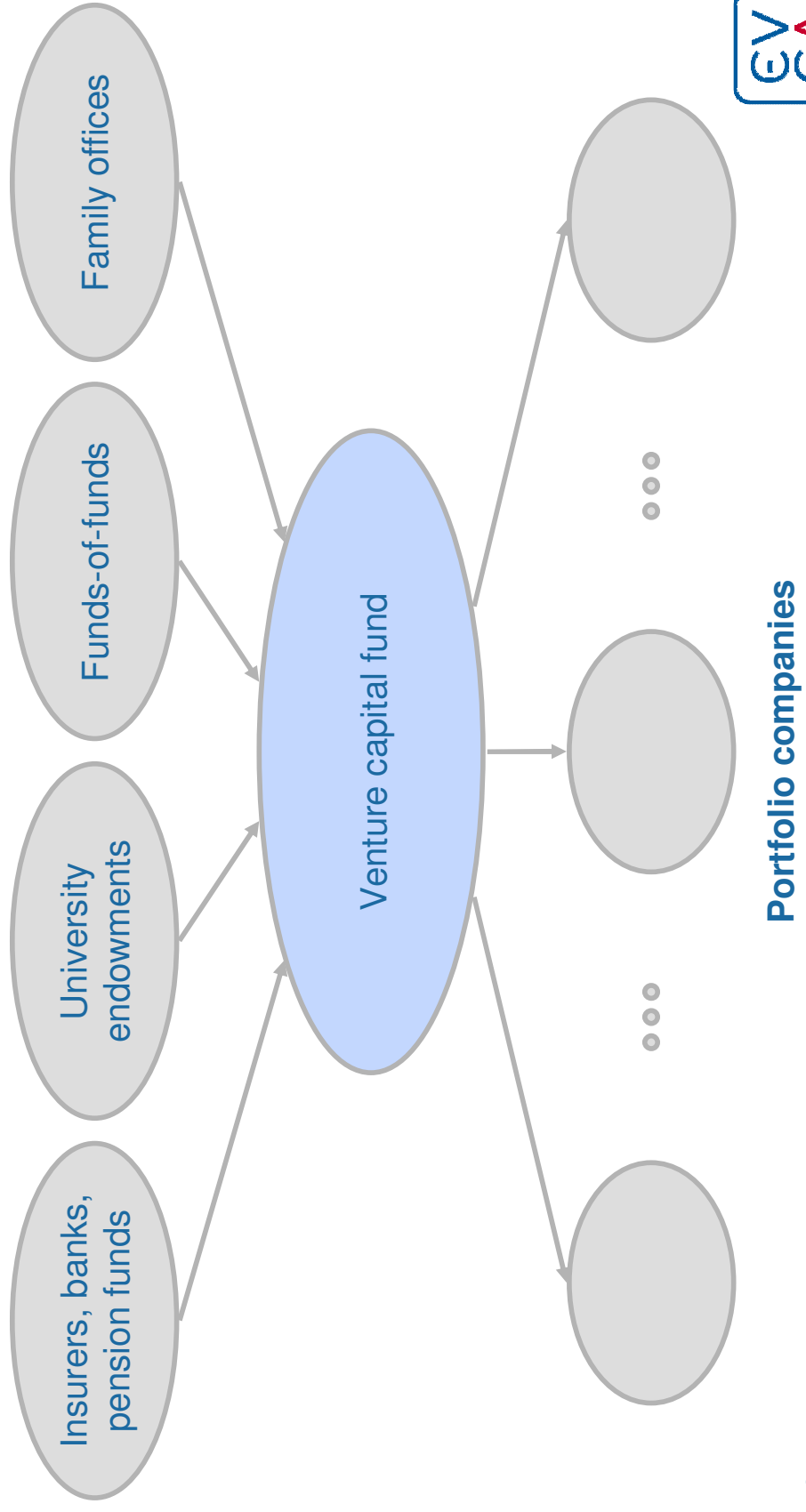
- Despite difficult economic environment in 2009 alone 3020 SMEs received venture capital funding
- Venture capital is an integral part of an overall innovation eco-system:
  - Examples for venture-backed innovative companies having reached >\$1bn value post exit
 

|   |                              |  |                                  |   |  |
|---|------------------------------|--|----------------------------------|---|--|
|  | MySQL<br>Software,<br>Sweden |  | Skype,<br>Telecom,<br>Luxembourg |  | CSR<br>Semi conductor,<br>United Kingdom |
|---|------------------------------|--|----------------------------------|---|--|
  - Examples for venture-backed “green” companies having reached high value post exit or a successful IPO:
 

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|---|--|---|--|
|  | Schmack<br>BioGas AG<br>Clean tech,<br>Germany |  | emgs<br>Energy, Norway   |
|  | ersol<br>Thin Film<br>Solar energy,<br>Germany |  | MTEM<br>MULTI TRANSIENT<br>Energy, United<br>Kingdom           |
|  | Q.CELLS<br>Clean energy,<br>Germany            |  | REC<br>Renewable Energy Corporation<br>Solar energy,<br>Norway |



# The venture capital ecosystem



## EVCA white paper's key messages

- Funding alone is insufficient, it is rather the knowhow that is critical – the private sector's involvement is necessary to form the “VC ecosystem”
- EVCA put forward set of policy recommendations calling for
  - Improvements in the regulatory environment for venture capital in Europe
  - A multiannual programme for private sector asset managers to support funds-of-funds with a sizable commitment to European venture. This aims
    - to shift financial backing from the public to the private sector
    - to allow smaller institutional investors to remain engaged or become active on the asset class
    - to select the best European VC managers and network their potential to investors worldwide
- To realize venture capital's potential within its EU 2020 strategy, the EU's policies also needs to tackle the question of how to bring in / bring back the private sector to make Europe's VC industry competitive and self-sustainable

