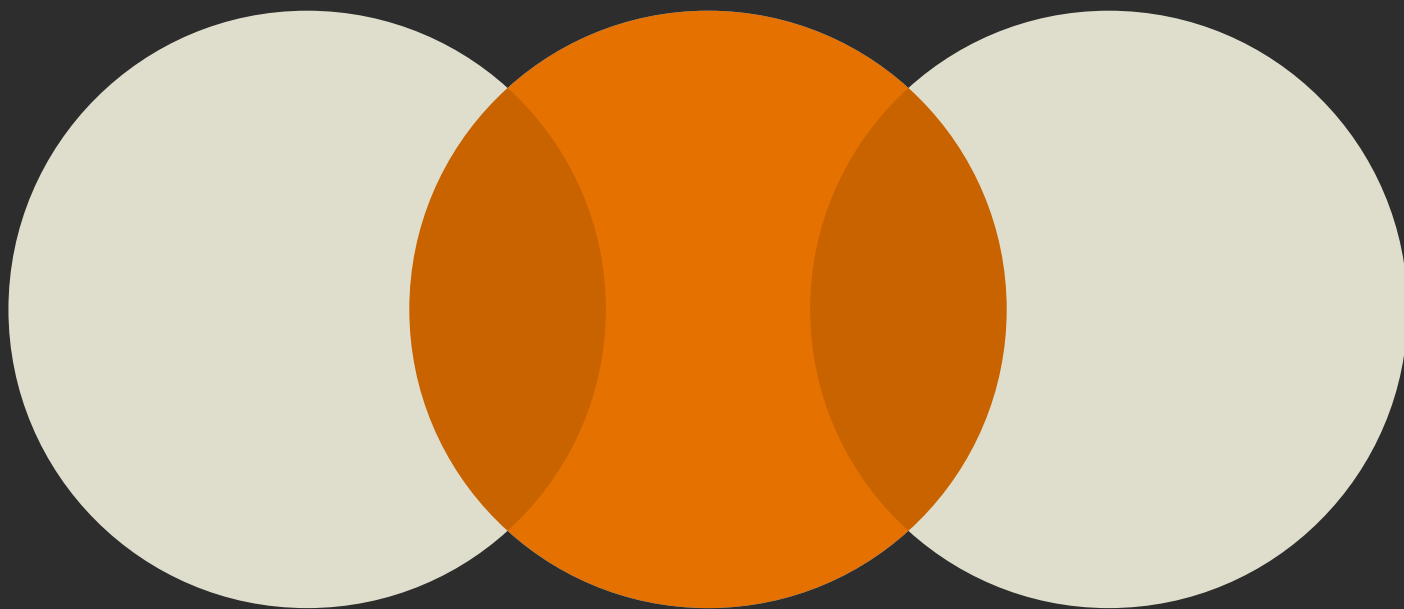


techleap.nl



Regionale
Ontwikkelings
Maatschappijen

COL Final Data report



A collective approach to supporting
innovative entrepreneurs during COVID-19

Techleap.nl

Techleap.nl is a non-profit publicly funded organisation helping to quantify and accelerate the tech ecosystem of the Netherlands. Empowering people and their tech companies to scale with programs and initiatives for improving access to capital, market and talent. From international missions to diversity training, Techleap.nl targets all areas of the ecosystem. Special Envoy for Techleap.nl is Constantijn van Oranje.

ROM Nederland

ROM Nederland is the collaboration between the Regional Development Agencies (Regionale Ontwikkelingsmaatschappijen, 'ROMs') of the Netherlands. A ROM is a corporation with public shareholders whose aim is to strengthen a region's economy and bolster employment. ROMs are neutral players in a region and have no profit motive. ROMs also support entrepreneurs in times of economic uncertainty, for instance as a result of the COVID-19 crisis. ROMs are committed to making an impact in various areas, such as health, sustainability, nutrition and digitalization, both together with and for innovative SMEs.

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Foreword

MID-MARCH 2020 the Dutch government announced a substantial first economic-stimulus package for small businesses to limit the economic impact of the COVID-19 pandemic. Unfortunately, many startups and scaleups did not fit the criteria and were therefore excluded from most supportive measures (e.g. NOW, tax exemption, and/or guaranteed banking loans). This, however, did not mean that these innovative companies were not in need of financial support. On the contrary, many were confronted overnight with an acute loss of demand, a sudden stagnation in their supply, a standstill of new investment rounds or the inability to acquire new clients. According to a March 2020 survey by Techleap.nl, of the more than 400 startups and scaleups questioned, 80% expected to be in acute financial difficulty in a few months' time. About two-thirds of the respondents stated they were looking for bridge funding. In short: action was needed.

We cannot afford to lose the innovative edge of startups

The Regional Development Companies (ROMs) and Techleap.nl agreed: we need to avoid uncreative destruction among these innovative businesses. We all know that startups and scaleups create products and services that often contribute to solving social challenges in important fields, such as health care, energy transition, sustainability, agriculture, and safety. They are catalysts in R&D and develop key technologies in artificial intelligence, biotechnology and photonics. What would happen if we denied these young innovative firms to grow? Serious innovation setbacks.

The solution: the Corona Bridging Loan (COL)

In just a few weeks' time, in very intensive cooperation with the Ministry of Economic Affairs and Climate (EZK), this much-needed loan was designed and developed. On April 7, the Dutch government announced a budget of €100 million for the COL. This was later expanded to €300 million.

We received hundreds and hundreds of applications

And that in just a few days. The online portal officially opened on April 29 2020, and was an immediate success. The dedicated team of investment managers from the ROMs had one single goal: to help these young companies in need. They worked round the clock to assess all applications, with at its heyday, over 100 people working simultaneously. An intense and demanding task. Looking back, we find that this would not have been possible without the collective drive and support of all involved.

974 companies received the Corona Bridging Loan (COL)

Meaning that 974 companies are continuing to make a positive contribution to our economy and society in the upcoming years. We are proud of our contribution in protecting these startups and scaleups during the COVID-19 crisis.

This final data report explains how COL works

It gives an in-depth analysis of our collective approach to startup support during COVID-19. We share the benefits and explain its practicalities. We have also added an overview showing all supported companies, as well as a few personal stories of entrepreneurs.

The story does not end here

We continue to monitor the supported companies in order to analyse the effects of COL. Especially since large parts of the market have reopened, yet a few sectors are still struggling. Are they successful in their endeavours? Are they still struggling with certain restrictions? We are keen to find out and continue to support these businesses wherever we can.



Maurice van Tilburg
Managing Director
Techleap.nl



Rinke Zonneveld
Executive Director
InnovationQuarter

Highlights

At the start of the COVID-19 pandemic in March 2020, Techleap.nl surveyed over 400 companies on their potential need for bridge funding and structural incentives to reactivate VC investments.

The data from this survey helped to estimate the financial impact of the pandemic and subsequently build a support plan which culminated in COL (Corona Bridging Loan) programme provided by the Ministry of Economic Affairs and Climate Policy: €300 million for bridge funding through the ROMs (Regionale Ontwikkelingsmaatschappijen).*

From the start of the COL on the 29th of April 2020 to the 1st of July 2021, 2276 applications have been reviewed. The total amount of requested funding is over €840 million.

The vast majority (73%) of the applicants requested a bridge loan amount in the €50.000-250.000 category, with a median of €240.000, to bridge a 9-month period. Co-financing was not necessary in this category. An explanation can be found in the fact that at the beginning of the pandemic, most investors were keen to wait and see how the market would respond.

The COVID-19 impact report was published in August 2020 and shows a list of all applications up to July 2020. The number of applications has increased by 510 (+29%) since then.

Almost half of the applications have been approved, for a total of almost €289 million. This is supplemented with co-financing by existing shareholders for applications over €250K.

The COL impact was most dominant in innovation-driven sectors, such as Medtech, CleanTech & Energy, Hightech systems, Agritech & Food and Softtech. These sectors took up 86% of all applications. The sectors Life Sciences (56%), CleanTech & Energy (54%) and Hightech (53%) make up the top 3 sectors with the highest approval rates.

57% of applications have been denied, mostly because of insufficient confidence in repayment (32%) and/or relationship to the COVID-19 crisis (26%).

* See COL impact report 2020 for further details and set up of the COL



€1.7 Billion

The applicants indicated a financing need of €1.7 billion (+24% vs. the August 2020 COL report), which requires an approach that unlocks structural funding. As partners we continue to keep working on this approach together to make sure these important innovations can continue to grow in the Netherlands.

1 Facts & Figures COL

2276 applications have been reviewed from the start of the COL on the 29th of April 2020, until the 1st of July 2021

Figure 1
Applications over time

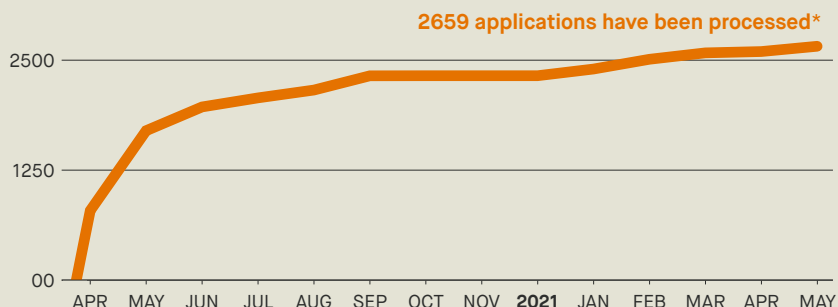


Figure 2
Applicants per sector

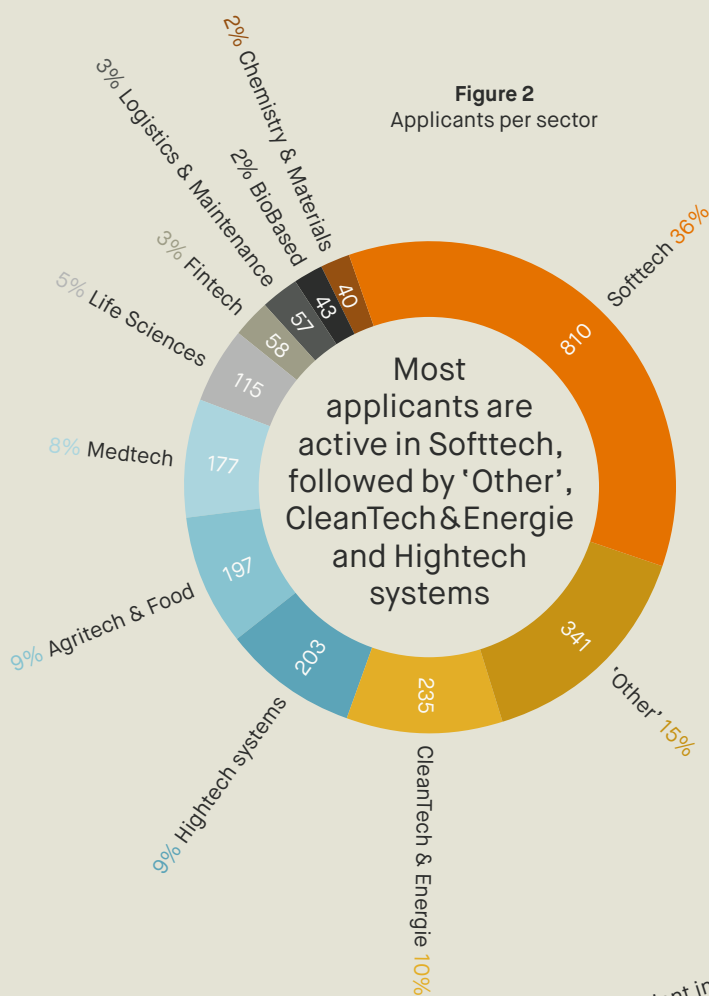


Figure 3
Status of applications

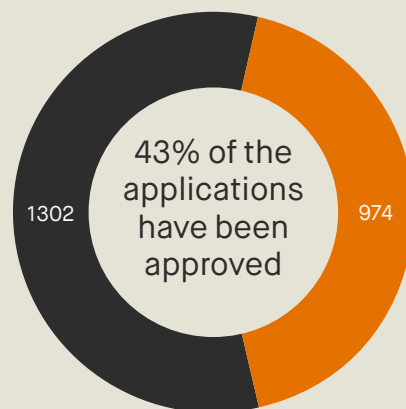
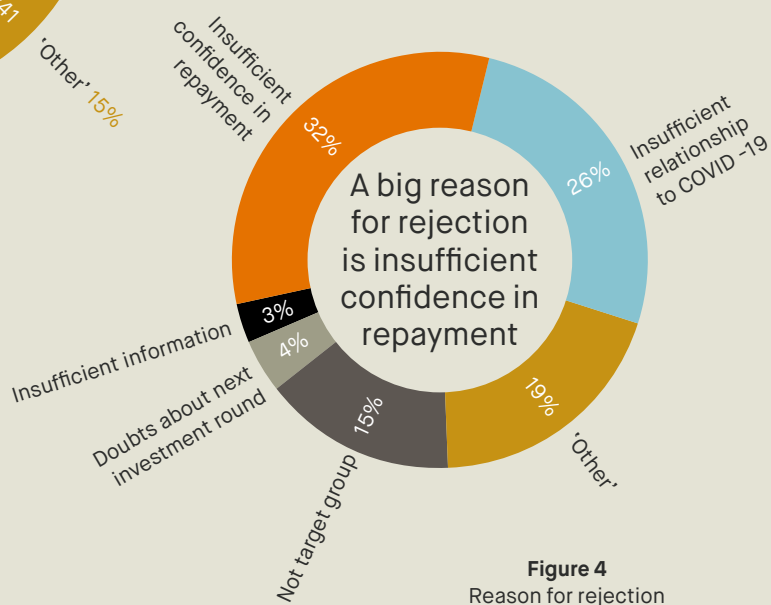


Figure 4
Reason for rejection



* For this report, only the applications that got approved by the portal are being taken into account. See the COL impact report 2020 on how this worked.

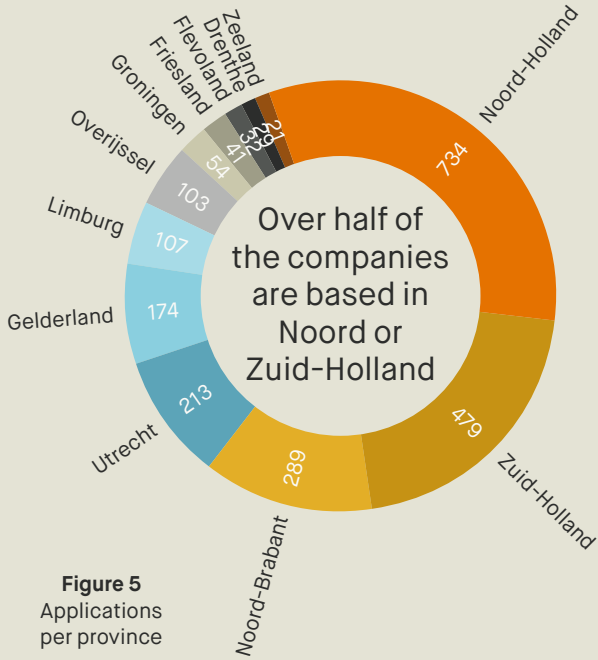


Figure 5
Applications per province

9 Regional Development Companies (ROMs) handled the 2276 COL applications*

Figure 6

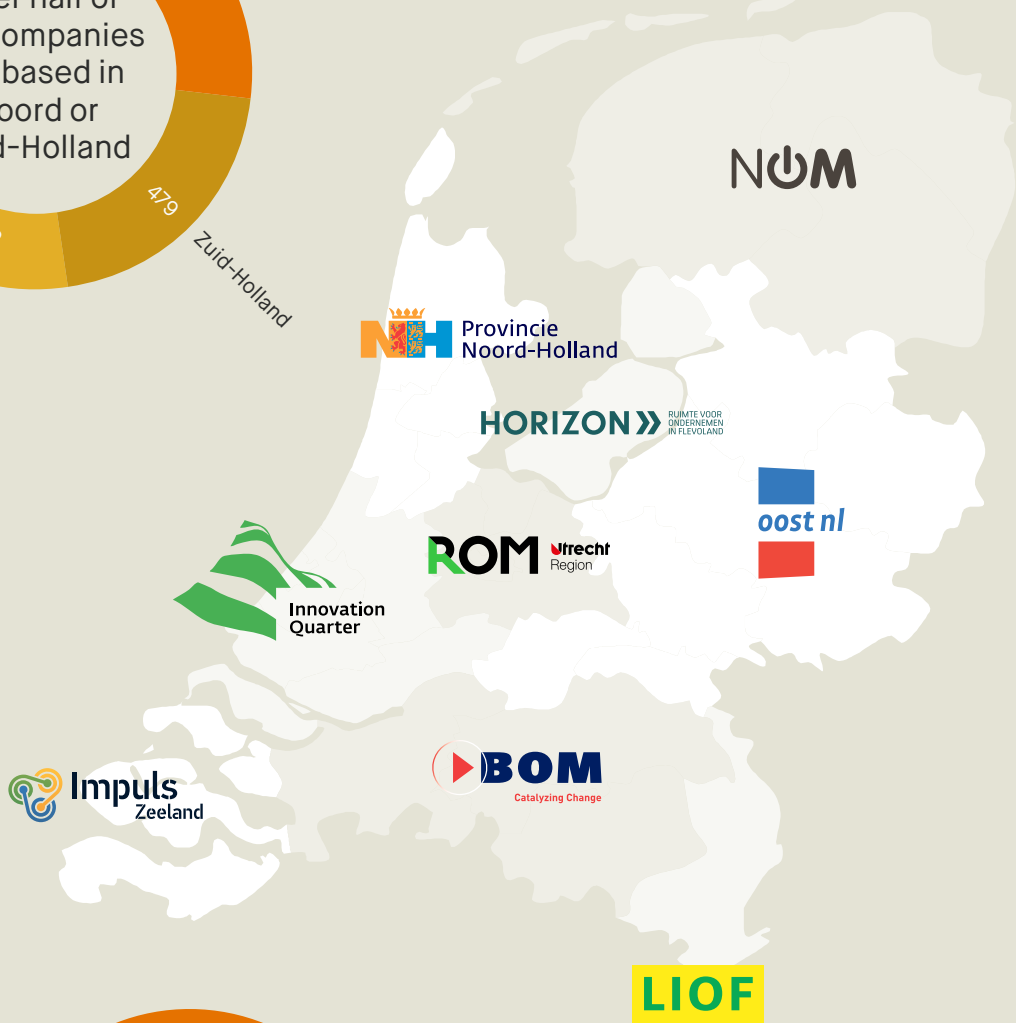
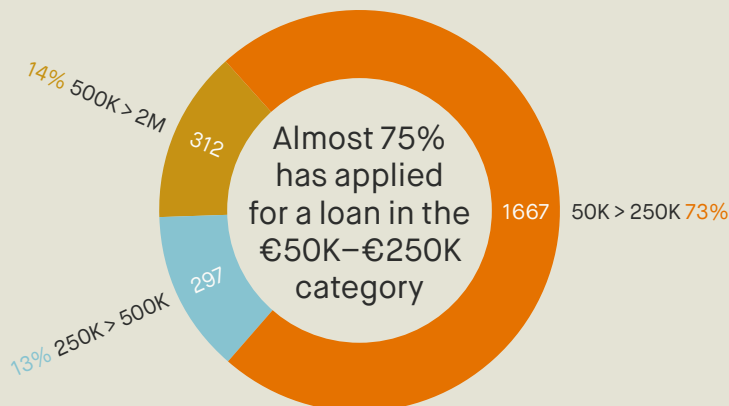
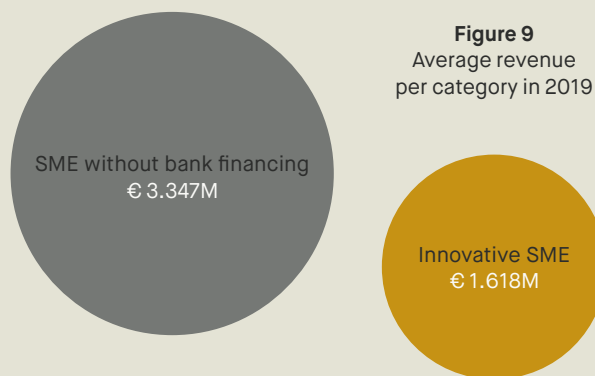
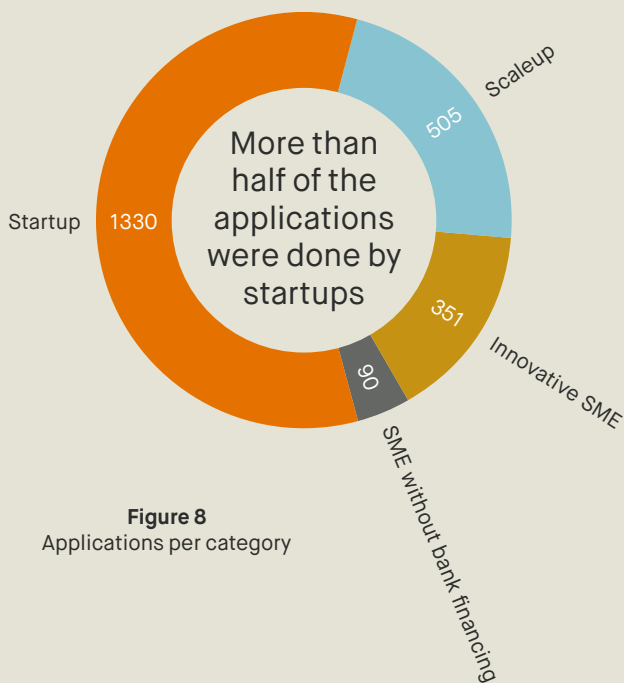


Figure 7
Applications categorised in the funding amount categories

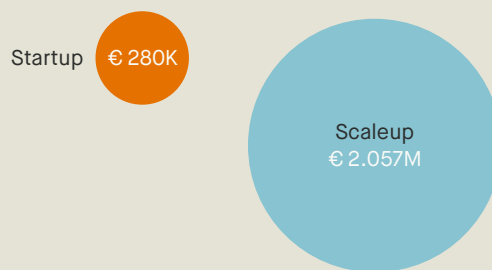


*Because there was no ROM yet installed in Noord-Holland when the COL started Innovatiefonds Noord-Holland has managed the COL applications for this region.

COL company profiles



The average revenue of a scaleup is €2M with a median of €935K, a startup is just under €300K with a median of €50K



A scaleup requested about €364K more compared to startups. In total, the expected structural need after 9 months is €1.7 billion

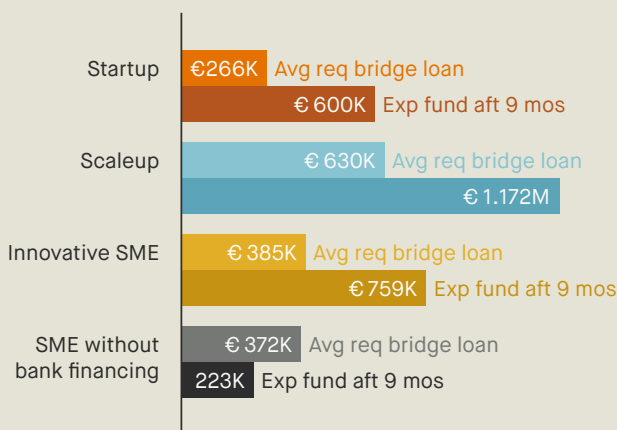


Figure 10
Average requested financing for 9 months and expected funding needed after 9 months

On average, of all companies that applied, scaleups have the most FTE

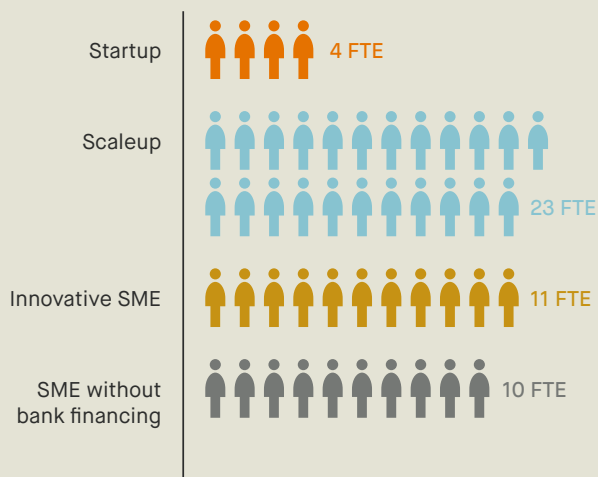


Figure 11
Average FTE per category, 2019

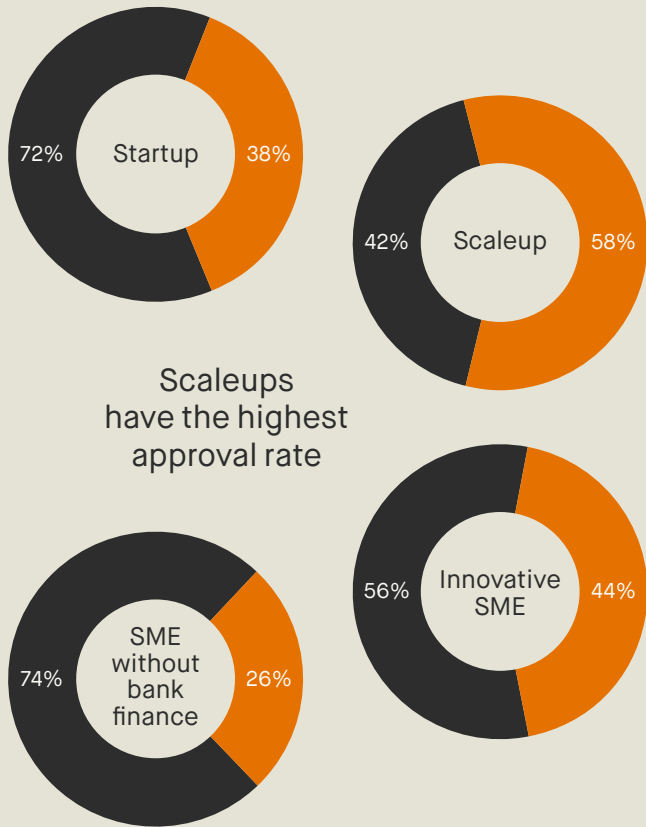


Figure 12
Share of approved applications per category

With COVID-19 all runways shorten drastically around 4 times to around 3 months

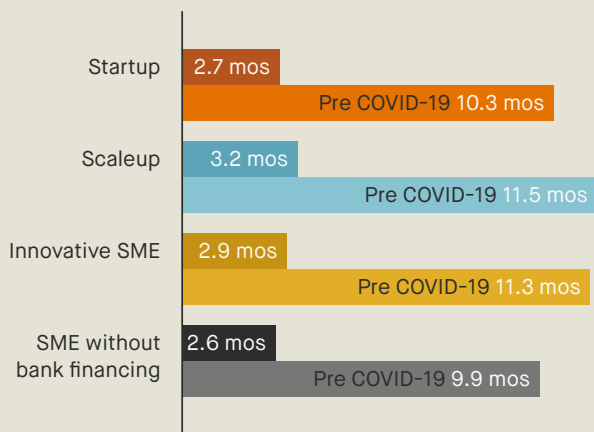


Figure 14
Average runway now vs pre COVID-19 in months

Companies with more money invested have proven to be more likely to be approved

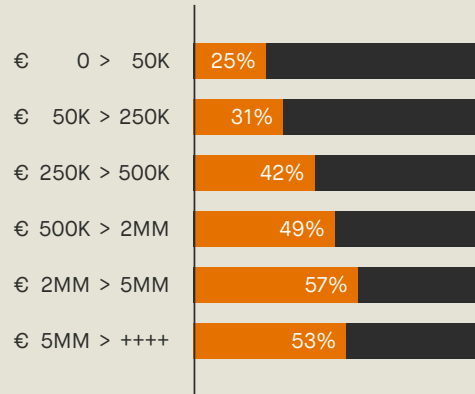


Figure 13
Share of approved applications per range in how much has been invested in a company

CleanTech & Energy, Hightech, Life Sciences and Medtech have the highest approval percentages

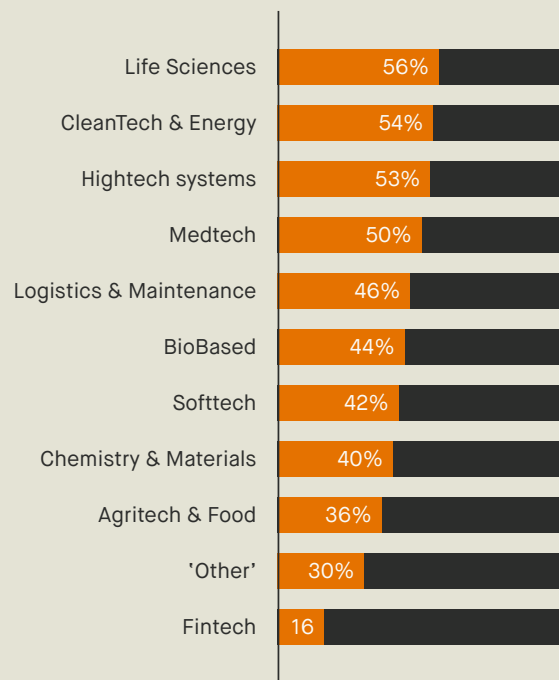
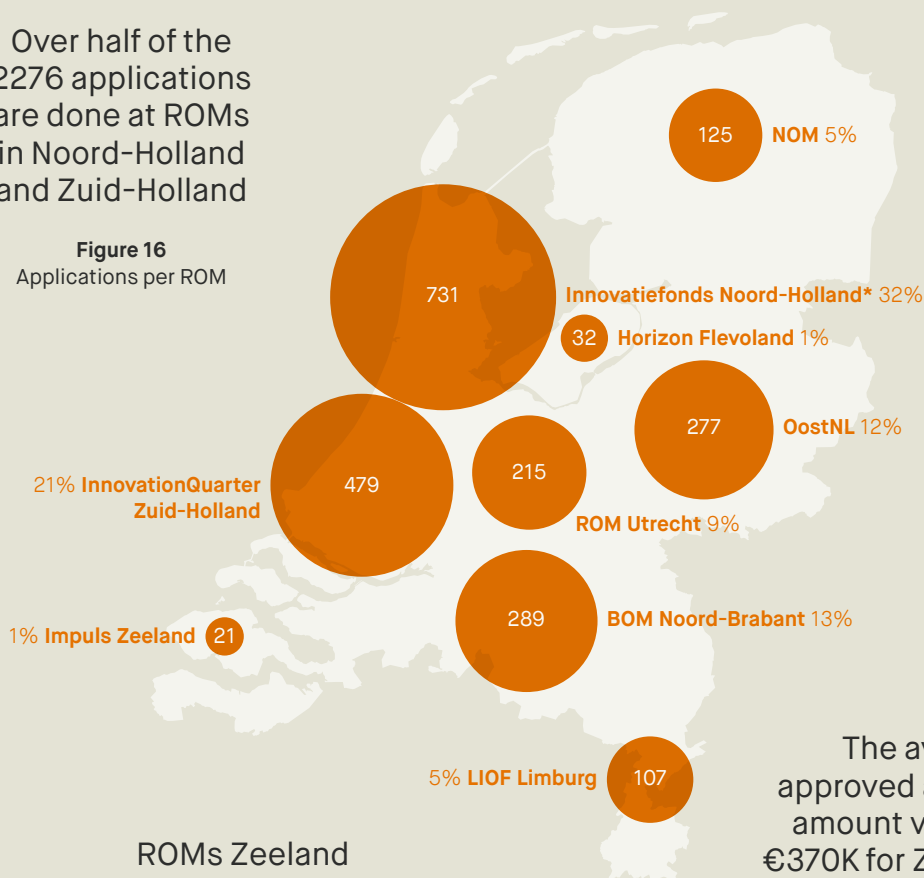


Figure 15
Approval percentages per sector

Breakdown per ROM

Over half of the 2276 applications are done at ROMs in Noord-Holland and Zuid-Holland

Figure 16
Applications per ROM



ROMs Zeeland and Flevoland have the highest approval percentages

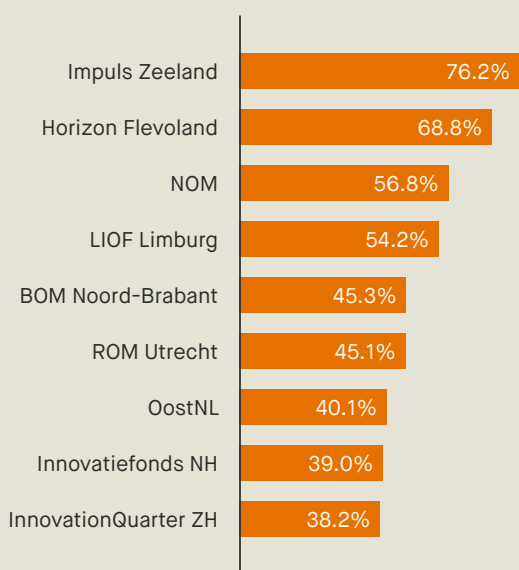


Figure 17
Percentage of approved applications of total applications per ROM

The average approved application amount varies from €370K for Zuid-Holland to €206K for Utrecht

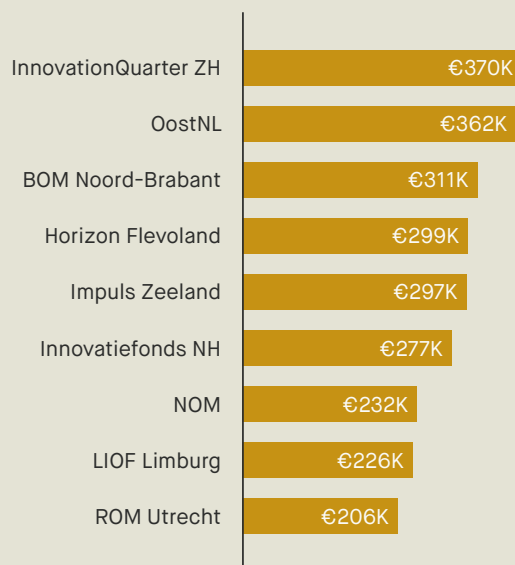


Figure 18
Average approved application amount per ROM

Noord-Holland committed the most capital, almost €80M. Zeeland the least with less than €5M

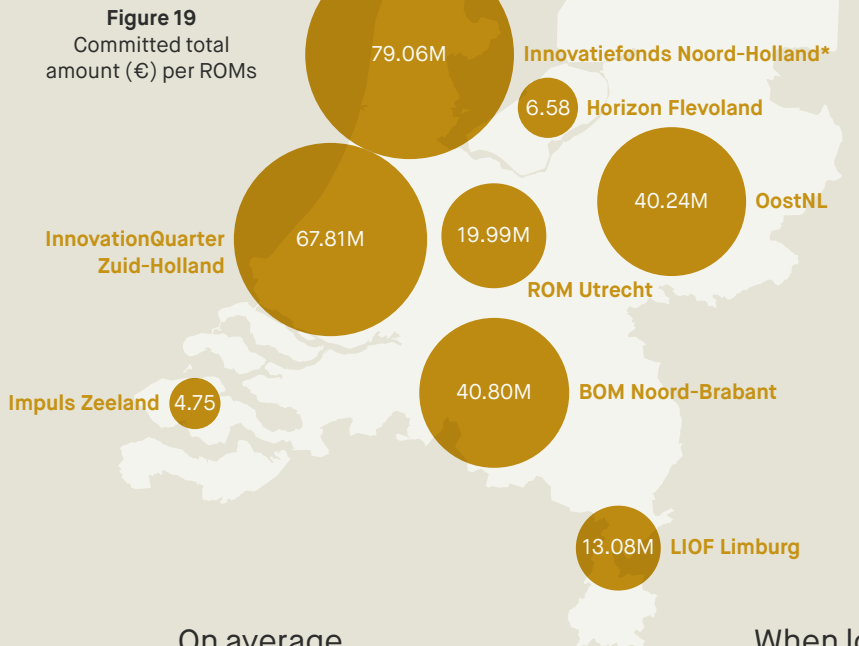
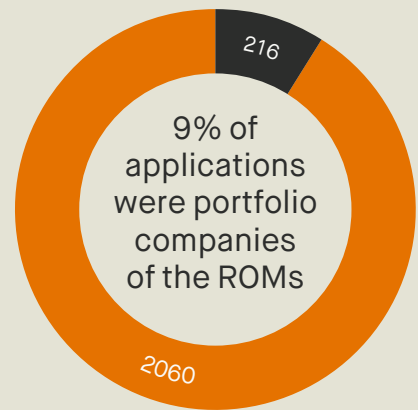


Figure 19
Committed total amount (€) per ROMs

Figure 20
Share of companies within the ROMs portfolio



On average, we see that 1 out of 7 approved COL applications is a ROM portfolio company

When looking at approved loan amount that has been provided to portfolio companies, NOM and LIOF are among the highest

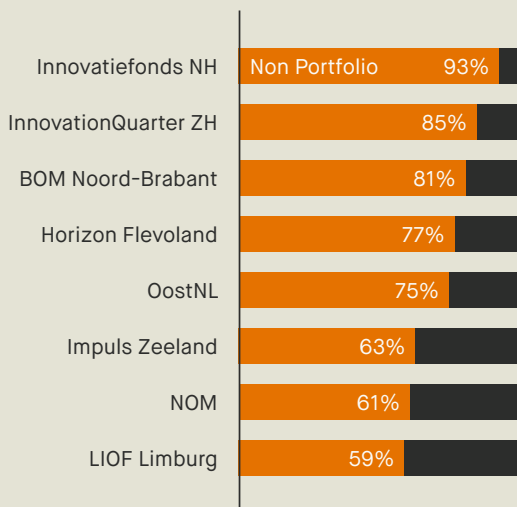


Figure 21
Share of approved companies that are not from the ROM portfolio per ROM

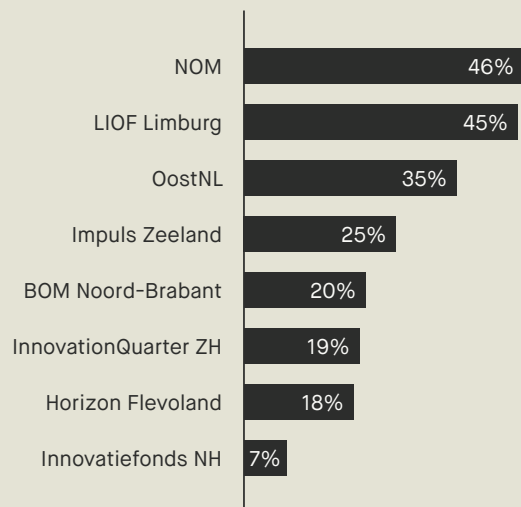


Figure 22
Percentage of approved loan amount provided to portfolio companies

2

What's Your Story?



The COL programme ran from late April 2020 until July 1, 2021. Nearly 1,000 entrepreneurs received a COL loan, providing support during the corona period. We interviewed five entrepreneurs about their company and the support they got. What's their story?

Founder and CEO
of CloudCuddle

What's
your story?

COL 2020/21

Lotte Leufkens Cloud Cuddle



What makes your innovation unique? 'Many kids in the Netherlands need a safe place to sleep for physical or mental reasons. At home, these children sleep in a wooden bed box. But these are expensive and not portable. Spending the weekend at the grandparents' or just a night away from home is not an option for these families, which is why we came up with the CloudCuddle. It's essentially a super durable inflatable bed tent. It is convenient, lightweight and fits into an overnight bag. We are the only one in Europe with such a product at the moment.'



Why did you opt for the COL scheme? 'As a startup, you definitely want to continue to grow during the first years. That way, you can develop towards a financially healthy company. Naturally, you cannot yet demonstrate years of revenue to the government. That means you will fall out of the scope of most of the standard measures. The COL was, therefore, a godsend to cushion the difficult corona period. Now that the corona measures are practically eliminated, our revenue is picking up again!'

Have you already repaid the COL loan? 'No. I anticipate that we will be able to start doing this in 2022 at the earliest. We did not have much revenue for a long time. Things have finally started picking up again since May this year. But it will take some time to recoup the meagre months.'

'CloudCuddle means so much when you can never just be away from home for a night'

Did you miss anything in the COL? 'The COL was originally intended for fiscal year 2020. We all believed that 2021 would no longer cause major issues. But corona turned out to be more persistent than anticipated. The standard measures, such as NOW and TVL, were extended, but the COL regrettably was not.'

What have you learned from the corona crisis? 'Keep innovating. See what you can do differently. Maybe you can capitalise on the crisis. Or adapt your product or service to the shifting market. That way, you can at least stay afloat. For example, we launched various campaigns to help families with disabled children badly affected by corona. Working together with Stichting Vooruit is one example. That's how we help each other!'

CloudCuddle

The CloudCuddle Junior bed tent enables children with a disability to sleep anywhere. The tent is inflatable and lightweight. Folded up, the CloudCuddle fits into an overnight bag. We also offer CloudCuddle Senior, a bed tent for the vulnerable elderly. cloudcuddle.com

CEO of ContactCenter4ALL

Marcel Reuvers

Contact Center4ALL



What's your story?

COL 2020/21

What makes your innovation unique? 'We create cloud-based contact centre software for Microsoft solutions. With this software, companies and organisations can be reached in Teams by phone, chat, WhatsApp, email, etc. We are one of the few vendors in the world that build this fully integrated software. Our solution is now available worldwide.'

'The rapid switch to a survival mode was crucial'

What changed when the corona crisis began? 'Our 2020 plans were very ambitious. We expected revenue growth of as much as 250%! And then came COVID. Existing customers ceased using our software when they closed their factories and offices. New customers halted investments or chose our solution for Teams later on as an alternative for Skype for Business. This resulted in a weaker short-term cash position. By the end of June 2020, we were effectively bankrupt ... COL was nothing less than a lifesaver at that point.'

Have you already repaid the COL loan? 'Not yet. We expect to be able to repay the COL in one lump sum at the end of the term.'

How did you experience the cooperation with the investment manager(s)? 'Good! Our first application was rejected, but ultimately, thanks to some sound advice, we passed the selection and received the COL.'

As a startup, what do you miss in the Dutch funding landscape? 'Banks should accept much more 'risk'. For example, by having a joint buffer of banks and government. Also, banks and government are currently still too sluggish and time consuming.'

Has corona changed your views on entrepreneurship?

'I have been an entrepreneur for many years. But last year was one of the most difficult years. The unpredictability, the powerlessness, not being able to meet commitments. This hit me hard. We are used to working according to long-term plans. Corona made those plans suddenly worthless. Swiftly shifting to survival mode and ensuring that existing customers remained proved crucial. Fortunately, growth has been recovering since the beginning of this year. The past few months even with double digits.'



Joost van Leur
Investment Manager
ROM Utrecht Region

'Sadly, it was impossible to properly assess all the COL applications at once. It was great to observe how the entrepreneurs behind CC4ALL worked so hard to respond promptly to additional questions and remarks. An entrepreneur 'being on top of the ball' is not just important in the COL assessment process, but also for the successful continuation of the business.'

ContactCenter4ALL

CC4ALL aims to change the world of contact centre solutions. The company has built an intuitive platform, enabling people to work effortlessly and from anywhere. The platform offers a clear insight into the reachability of the organisation for contact centre managers. [contactcenter4all.com](https://www.contactcenter4all.com)

CEO of GumCare Companion

Sophie van Dijk

GumCare companion

What's your story?

COL 2020/21



What changed for you once the corona crisis began?

'With the advent of COVID, almost all dental practices had to close temporarily. When they were allowed to reopen, it was often only for patients and not yet for the industry. This meant that our sales were affected considerably for a while.'

'Every day starts fresh!'

What did you use the COL for? 'We used the COL scheme to pay the salaries. That also gave us room to embrace the new reality with the team and to try out new forms of sales and marketing. And with success!'

What do you miss as a startup in the Dutch funding landscape? 'In general, there is little investment in (medical) hardware. And yet, this will always be essential in medical science. In my opinion, investing in innovations is indispensable in order to keep moving forward and to be able to offer patients better care with the patient at the center. More should also be invested in prevention and early disease treatment, because there is much to be gained in healthcare! For the entire healthcare system but also for patients.'

Has corona changed your view on entrepreneurship?

'No. It is and always will be fantastic to develop your own product and market it. And to make a genuine impact. Dental and dental hygiene practitioners use Fluxion extensively, with patients being extremely satisfied and pleased. I think this is great. This is the most important for me also because of the memory of my father Dr. Johan van Dijk who invented the Fluxion. It is so satisfying to provide patients with an effective gum treatment that is non-invasive and painless.'

What are your further plans for continued growth?

'Our team is incredibly excited and we are pushing hard, especially among dental hygienists in the Netherlands. We see that dental hygienists are quite close to the patient. This enables them to properly assess and understand the benefit of our Fluxion treatment. This year, we will continue to focus on the Netherlands, despite several requests and interest from abroad. Every day starts fresh!'

GumCare Companion

GumCare Companion offers an effective and pain-free method for cleaning tartar under the gums. With Fluxion, GumCare currently offers the only dental device that can non-invasively clean as far as nine millimetres under the gums. thegumcarecompanion.com

CEO of Fited

Erdem Ay Fited

What's
your story?

COL 2020/21



What makes your innovation unique?

'We automate the design of patient-specific medical devices. Our first medical device is the 3D Printed Scoliosis Brace. This brace can be used for children that suffer from an abnormal curvature of the spine. Today over 1 million children across the world suffer from this condition called 'adolescent idiopathic scoliosis'. With Fited, everyone has access to personalised medical care.'

What changed for you and your business when the corona crisis started? 'Hospitals in the Netherlands started prioritising COVID-19 treatment and care. For a while, only emergency treatments were permitted. Orthopaedic clinics that focus on scoliosis had to scale back their operations and their number of treatments. This slowed our clinical trials and the market introduction of our scoliosis brace in the Netherlands for our adolescent patient population.'

Why did you opt for the COL scheme? 'For us, this was an instinctive preventative measure to defend our mission against the uncertainty caused by the global impact of COVID-19. We did not expect COVID-19 to have such a strong and long-lasting impact. We're grateful that the COL was made available to ensure we can continue our mission during COVID-19.'



Have you already repaid the COL loan? 'We're not yet repaying the COL loan. We're currently looking for additional funding that will take COL's place to continue our clinical work. We have applied to several funding schemes and are talking to private investors.'

'How did others cope with the impact of COVID-19?'

What did you miss in the collaboration or in the COL? 'With the COL, we got significant support locally in Limburg. We would have appreciated opportunities to learn from our peers across other regions in the Netherlands as well, though. How did they cope with the impact of COVID-19? We believe the shared experiences of startups is instrumental in ensuring more innovations are successfully brought to market that patients can benefit from.'

What have you learned from the corona crisis that can help other entrepreneurs? 'Start with a mission and a purpose. Keep the focus on improving the lives of everyone you touch with your product. This will help propel you through any crisis and inspire you to keep innovating. You're not alone in your entrepreneurial journey. It takes a community to bring innovation to the world.'

Fited

Fited uses images from cell phone cameras and x-rays to algorithmically create a unique scoliosis brace, fitted specifically to the patient's spine and unique features. This automated design process combined with 3D Printing makes this treatment accessible for everyone. fited.co

CEO of Unica Global

Ben Busser Unica Global



What's
your story?

COL 2020/21

What changed for you and your business when the corona crisis began?

'Corona had a dramatic effect on our business.

The inventories we had just shipped to the Middle East had a limited shelf life. Meanwhile, our product registration in China stagnated, ports were closed, and transport came to a halt. In the United States, our extended shelf-life milk flew off the shelves at first, but we soon had to stop sales there as well, due to delivery problems. In short, corona hit us smack dab in the face. It couldn't have come at a worse time.'

'Corona hit us smack dab in the face'

What did you use the COL for? 'We used the COL to keep our business going and continue working on our plans.'

How did you experience the cooperation with the investment manager(s)? 'I have tremendous respect for how Oost NL operated. Oost NL was immediately enthusiastic after just a few conversations. It was a pleasant surprise! We actually weren't even sure we would be considered innovative enough for a COL. The cooperation was also very satisfactory. Transparent with short lines of communication. We knew exactly what we had to do.'

As a startup, what do you miss in the Dutch funding landscape? 'Our line of business requires a long-term approach and a high amount of working capital, but it has good earning potential. Finding investors was a long and difficult road, even though our team had a proven



track record in this market. It would be nice if there were (government) funds to invest and participate in such ventures. I still miss that.'

What are your further plans for continued growth?

'We are now back on the path where we wanted to be. Sales in the Middle East are getting on track and the registration process in China is also underway. We have also launched Jovie online in the European Union. We are building up our knowledge of e-commerce, as online sales are also increasing for children's food products, particularly for innovative products like Jovie. Our product development is in full swing again. In short, plenty of plans!'



Brechtje Derkx-Houten

Loan Officer at Oost NL

'Despite the uncertainty and challenges, I see that entrepreneurs, such as Unica, continue with great courage. Full of resilience, optimism and perseverance. I find that admirable.'

Unica Global

Unica Global is active in developing children's food products based on special milk, such as organic goat milk. Unica sells these products – particularly in the Middle East and China – under its own label, Jovie.

unica-global.nl

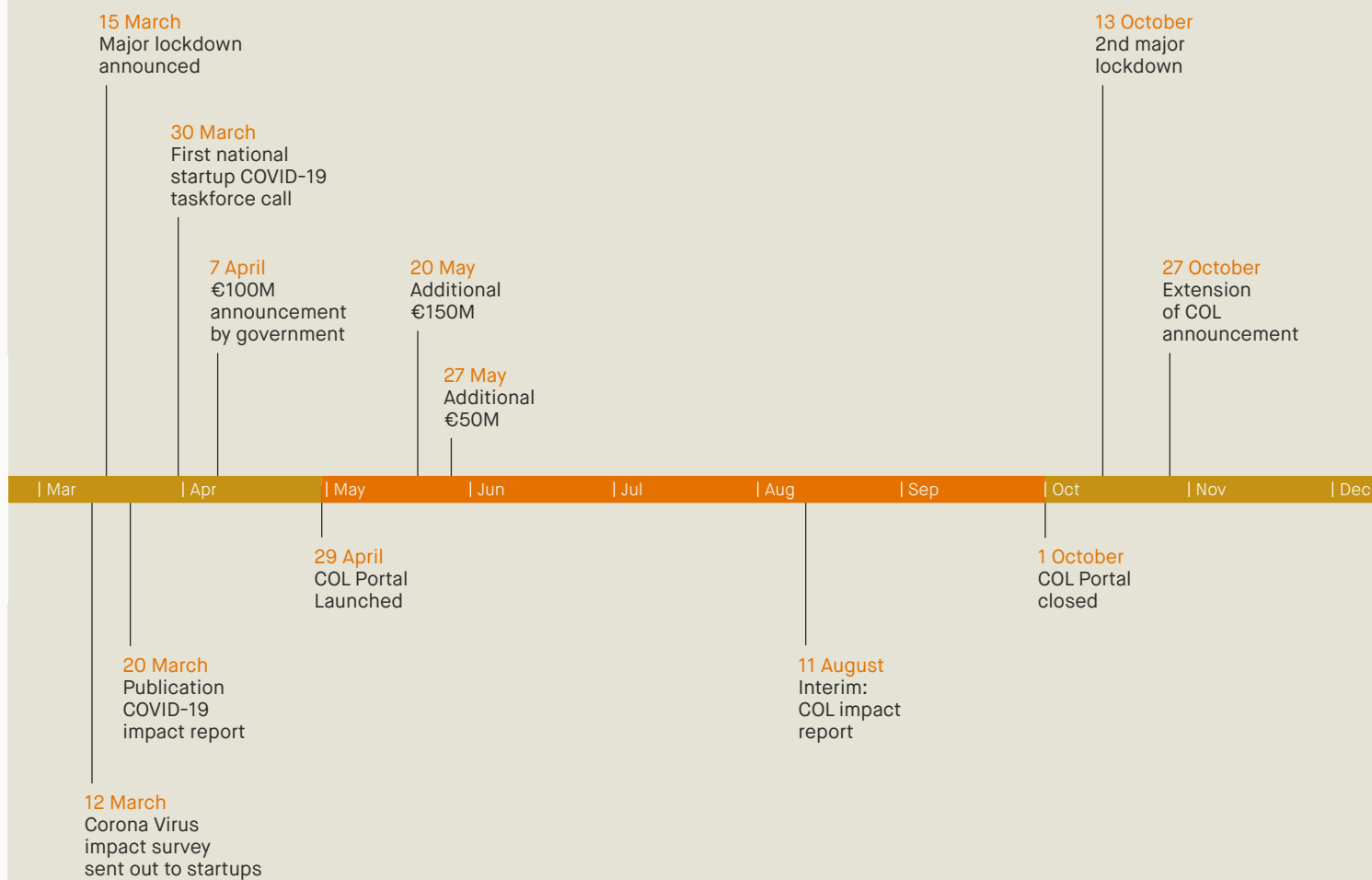
3 COL setup factsheet

 Core Team 10 persons

First 3 months 12-16 hours per person per day



76.600 hours in total





techleap.nl

30 June
All applications reviewed

2021

Feb

Mar

Apr

May

Jun

Jul

Aug

Sep

4 January
COL Portal reopened

17 May
COL Portal closed