

A new investment fund, Helvetica Smart Capital, is launched to support technological innovation in Switzerland

Geneva, March 2018.

The Geneva Foundation for Technological Innovation (FONGIT) and Preon Capital Partners, one of the most innovative family offices in Geneva, announce the creation of Helvetica Smart Capital, an investment fund to support innovative startups in Switzerland.

Helvetica Smart Capital (HSC) will dispose of minimum CHF 50 million to focus on the seed and early stage phase of technologically innovative companies in Switzerland with a special focus on the Lake Geneva region. According to the CEO of Preon Capital Partners Alberto de Min, who worked at CERN and Lombard Odier among others: *"This fund allows us to structure and professionalise a type of investment that is interesting from a financial point of view and to develop a region that is particularly important to us"*.

Switzerland, with its pragmatic approach, is one of the most attractive innovation hubs in the world. According to the *European Venture Capital Report*, its performance regularly outshines the rest of Europe and the capital invested in Swiss startups has shown double-digit growth in recent years. However, local actors are scarce despite the investment opportunities. In fact, the most promising Swiss companies regularly complete large financing rounds, but mainly attract foreign investors who focus on companies that are already in the growth phase.

Startups in the A-round financing phase, which have not yet started commercialization and are trying to raise between CHF 1 million and CHF 5 million, are suffering from the lack of local players. Investment amounts that are too high for traditional business angels and family offices, coupled with results that are still too early-stage for many venture capitalists create a "valley of death", the crossing of which is often fatal for many startups. These startups are, at best, forced to sell to established companies and often to leave the country, or to accept unfavourable terms from over-powerful investors.

"With Helvetica Smart Capital we finally have the ability to better cope with this valley of death." says Antonio Gambardella, director of FONGIT. *"Our wish is to provide promising startups with a local financing opportunity and thus the option of staying here, and growing strong roots in the region"*.

Focusing on investments in Switzerland's high-growth sectors, such as medtech, IT security, blockchain and engineering, HSC starts with a committed capital of around CHF 30 million and aims to reach CHF 50 million quickly.

"To enrich the cross-section of partners involved in the project," adds Alberto de Min, *"HSC is currently in discussions with other family offices and institutional partners, such as local pension funds, who share the same vision of sustainable regional development, coupled with a type of alternative investment de-correlated from the financial market."*

HSC will rely on the combined skills of its founders. The proximity to universities and R&D centres will allow rapid detection of high-quality opportunities, with the possibility of financial intervention already at the pre-seed level (up to CHF 150,000. -) in order to establish a relationship with entrepreneurs from the very beginning.

Based on this initial identification, HSC's investment strategy will focus on seed round and then A-round financing (up to CHF 3 million) in order to maximize returns.

The operational and institutional follow-up provided by FONGIT to accelerate the development of companies, as well as the network of committed investors who will be able to successfully guide the entrepreneurs from the incorporation of their company to their exit, is a guarantee of success for the new fund.

According to State Councillor Pierre Maudet, the new Helvetica Smart Capital fund is a very welcome addition to the landscape: *"I am delighted with this initiative, which complements institutional and private efforts, and which embodies my vision of innovation in the region, while simultaneously being perfectly in line with Geneva's economic development"*.

HSC website: www.helveticasmartcapital.com

About Preon Capital Partners:

Headquartered in Geneva since 2014, Preon Capital Partners is the family office of Finnish businessman Jari Ovaskainen, one of the most successful business angels in Europe, and operates as an independent asset manager. The company, under the leadership of its management, which includes Alberto de Min and Erkki S. Heilakka, invests primarily in equity with a particular focus on tech startups that attempt to anticipate future global trends. Preon's beneficiary owner was an early-stage investor in online game maker SuperCell, valued at more than \$3 billion when Softbank purchased it in 2013. In Switzerland, Preon Capital invested in startups such as Kizy Tracking, GenomSoft and Advanced Accelerator Applications, recently sold for CHF 4 billion.

About FONGIT:

Founded in 1991, the Geneva Foundation for Technological Innovation (FONGIT) is the first incubator of startups in Switzerland and currently supports more than 55 innovative startups, employing about 250 people in the fields of ICT (security, fintech, big data, digital), engineering (industry 4.0, IoT), and medtech (e-Health, diagnostics, bioinformatics). In recent years, FONGIT helped raise more than 150 million Swiss francs for its startups and facilitated more than 10 exits. FONGIT's unique integrated incubation program combines coaching, administrative, legal and accounting support, fully-equipped offices, and access to capital, allowing entrepreneurs to focus on their product and expand their customer base, doubling their success rate. FONGIT is a private non-profit foundation, supported by the State of Geneva.

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