

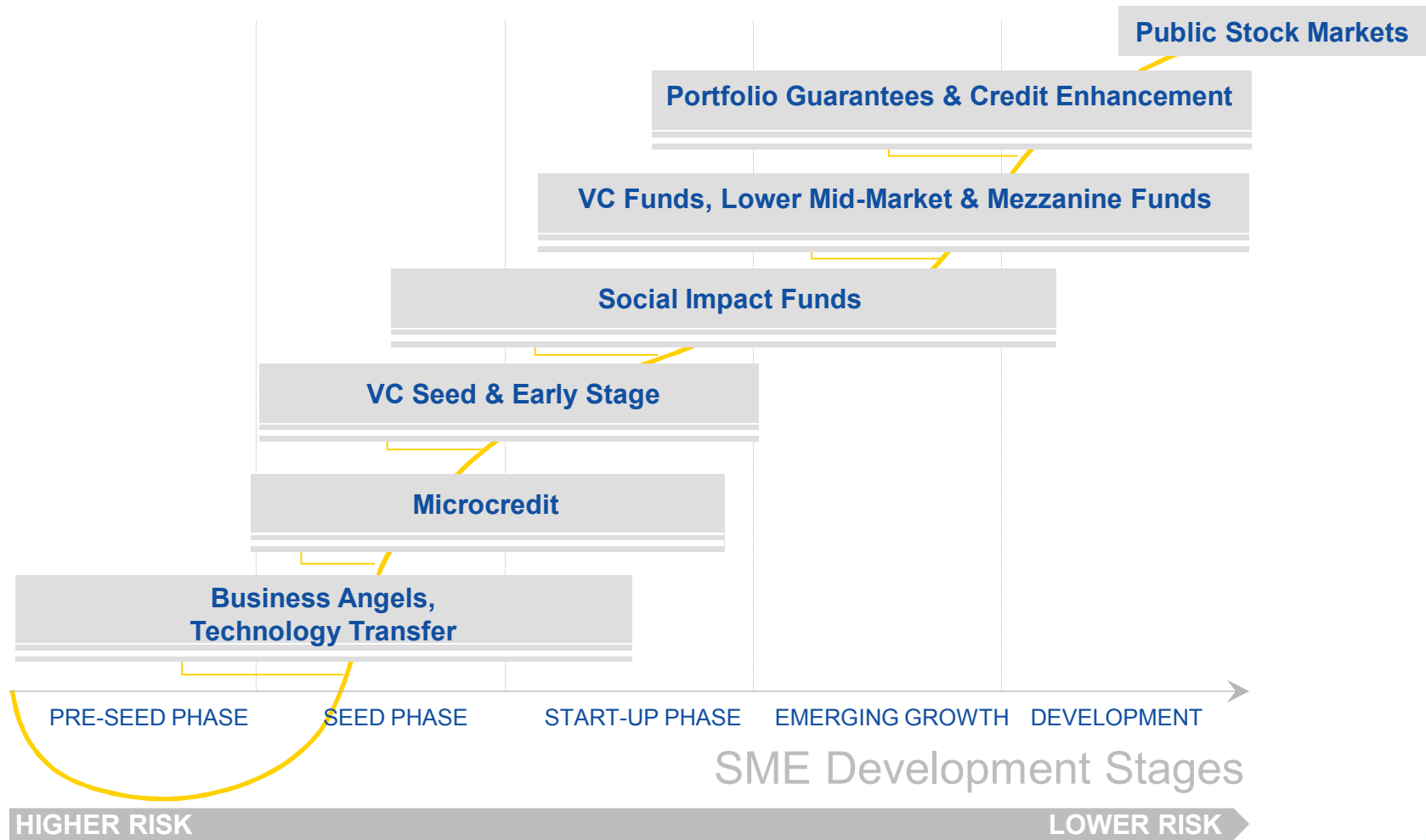


European Investment Fund

Investment Vehicles & Financial
Instruments Supporting TT & Innovation
Belgrade – 1 March 2017



EIF helps businesses at every stage of their development



TT investments seek to bridge gap between research & market



R&D

Technology Transfer
“technology IP”

Marketable Product
“prototype IP”

University /
Research
Organisation



IP / Idea



Market



Spin-out, licensing, collaboration
(contract research)

Innovfin Product Overview



EUROPEAN INVESTMENT FUND		European Investment Bank <i>The Ed bank</i>			EUROPEAN INVESTMENT FUND	European Commission
Early-stage Enterprises	SMEs	Midcaps	Large Caps	Thematic Finance	Advisory	
InnovFin Technology Transfer	InnovFin SME Guarantee	InnovFin MidCap Guarantee	InnovFin Large Projects	InnovFin Energy Demo Projects	InnovFin Advisory	
InnovFin Business Angels		InnovFin MidCap Growth Finance		InnovFin Infectious Diseases		
InnovFin Venture Capital						
InnovFin Fund-of-Funds						
Early-Stage Enterprises, SMEs and Small Midcaps < 500 Employees	SMEs and Small Midcaps < 500 Employees	Midcaps < 3 000 Employees	Large Caps Typically > 3 000 Employees	SPV, Midcaps and Large Caps	Public and Private Sector Promoters	
Intermediated Equity Financing	Intermediated Debt Financing	Intermediated and/or Direct Corporate Lending	Direct Corporate Lending	Project Finance and/or Direct Corporate Lending	Financial Advisory	

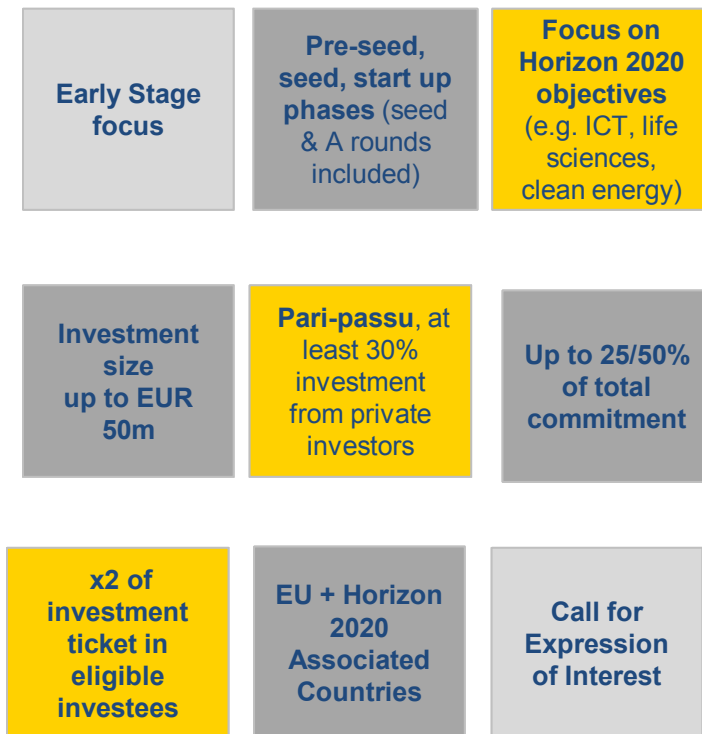
Direct products
 Indirect products



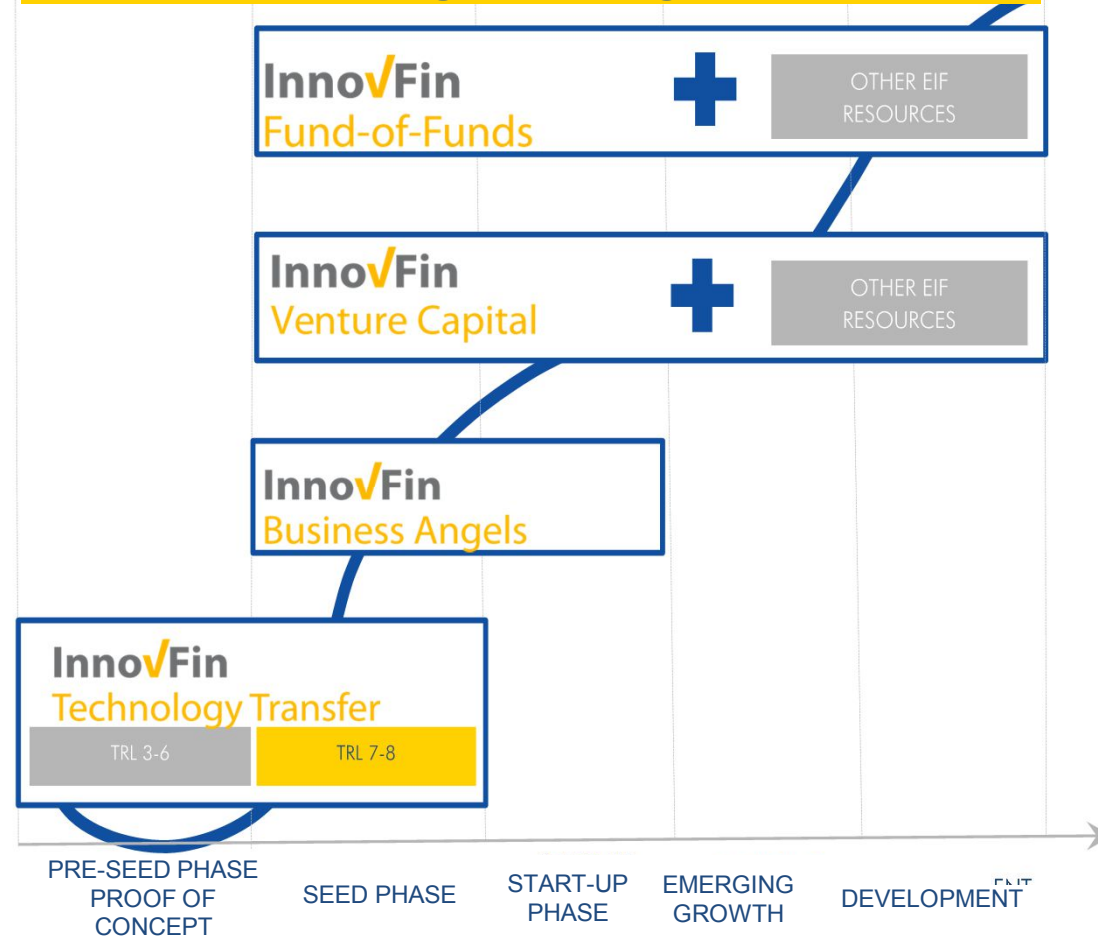
InnovFin Equity



Basic features



Stage coverage



SME Development Stages

InnovFin

Technology Transfer



Promotion of IP,
licensing, spin offs,
spin-outs

Pre-seed and seed
funds, including
affiliated with TTOs,
ROs, HEIs

Open to Proof of
Concept pockets

Investment size up to
50% of total
commitments

InnovFin
Technology Transfer

Investment size up to
EUR 50 million

TRL 3-8

At least 50% of fund
size focused on TT

SMEs, JVs, projects



Goal: Long-term, sustainable vehicles with like-minded investors



- ✓ **Close collaboration of investment vehicle with TTO**
- ✓ **Access to good science**
- ✓ **IP adequately protected under relevant legislation**
- ✓ **No direct financing of research**
- ✓ **Governance - no investor involvement in investment decisions**
- ✓ **Independence and non-competition of management team**
- ✓ **Adequate incentives to management team**
- ✓ **Alignment of interests with long-term focus, up to 15-20yrs**
- ✓ **Min critical size ca. EUR 30m. Typically, EIF can take up to 50%**

TT investment models (examples)



- **Joint venture**
e.g. CD3 (KU Leuven), Belgium
- **Co-investment funds alongside (listed) evergreens**
e.g. IP Venture Fund II, UK (multiple Uni partnerships), and Karolinska Development, Sweden
- **Independent managers**
 - PoC and SMEs - e.g. Univ. Manchester / UMIP, UK, University Bridge Fund, Ireland
 - Project financing / in-out licensing – e.g. Cancer Research Technology Pioneer Fund
- **Collaborative fund manager / TTO model (shared fees)**
e.g. University College London / Albion Ventures, UK
- **(Semi) captive structure / embedded TTO**
e.g. SINTEF, Norway
- **Emerging teams**
e.g. BeAble, Spain – multiple Univ. relationships

EIF TT & IP investments

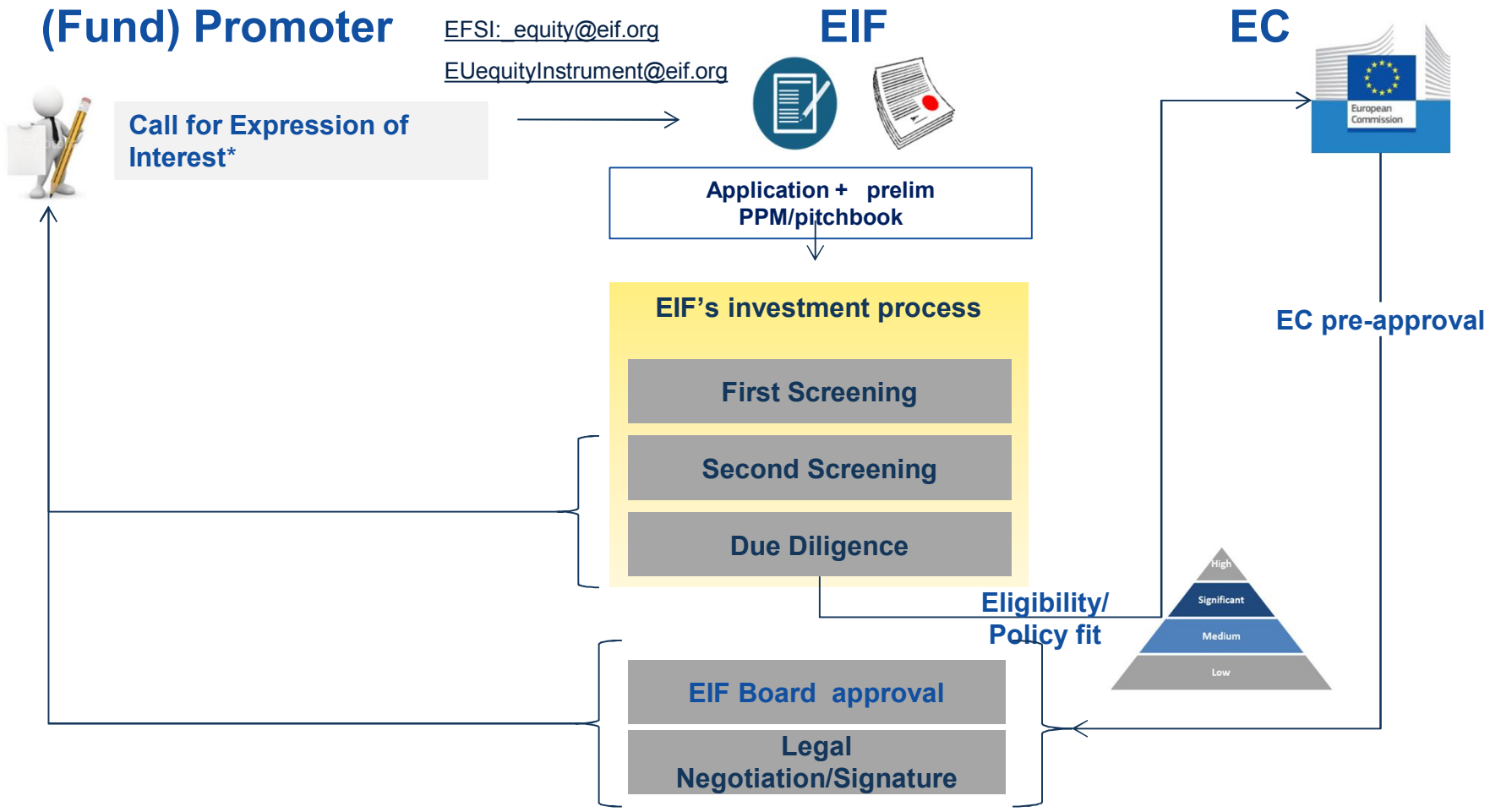
EUR 584m (2016); EUR 758m (2017-f)



Year	Investment	Country	Fund Size	EIF commitment	% Fund	
TT & IP Funds			EUR m	EUR m		
1	2006	Leuven CD3 (Centre for Drug design and Discovery)	Belgium	8	4	50%
2	2006	IP Venture Fund	UK	37	18	49%
3	2008	Chalmers Innovation Seed Fund	Sweden	17	9	53%
4	2008	Manchester UMIP Premier Fund	UK	38	11	29%
5	2009	Karolinska Development	Sweden	36	27	75%
6	2010	Leuven CD3 II (Centre for Drug design and Discovery)	Belgium	16	8	50%
7	2011	Louvain Vives II	Belgium	43	15	35%
8	2011	Telecom Technologies Transfert (3T)	France	21	10	49%
9	2012	Demeter Cleantech seed fund	France	45	20	44%
10	2012	Elaia Alpha fund	France	46	15	33%
11	2012	Cancer Research Tech (CRT) Pioneer Fund (a)	UK	30	15	50%
12	2013	Epidarex II (formerly Rock Spring)	UK	58	10	17%
13	2013	INRIA IT Translation	France	30	10	33%
14	2013	IP Venture Fund II	UK	36	24	67%
15	2013	Grand Ouest d'Amorcage Sante	France	57	15	26%
16	2013	Auriga Bioseeds IV	France	42	12	29%
17	2013	SINTEF Venture IV	Norway	27	12	44%
18	2014	Cancer Research Tech (CRT) Pioneer Fund (b)	UK	30	15	50%
19	2014	Armillar Ventures (not closed, fund-raising)	Portugal	45	15	33%
20	2014	Diffusion Capital	Turkey	30	26	87%
21	2014	Kurma Diagnostics	France	35	15	43%
22	2015	ACT TTA Fund	Turkey	23	18	81%
23	2015	Abingworth Pharma Co-development Fund	UK	102	41	40%
24	2015	V-Bio Ventures	Belgium	73	30	41%
25	2015	Thuja	Netherlands	30	15	50%
26	2015	Quadrivium	France	56	20	36%
27	2015	BeAble	Spain	35	15	43%
28	2016	UCL Technology Fund	UK	70	34	49%
29	2016	Carduso	Netherlands	31	15	48%
30	2016	CD3 III	Belgium	60	30	50%
31	2016	University Bridge Fund	Ireland	61	30	49%
32	2016	[confidential - first closing Q1 2017]	France	80	30	38%
33	2017	[confidential - first closing Q1 2017]	France	70	20	29%
34	2017	[confidential - first closing Q1 / Q2 2017]	Italy	40	20	50%
35	2017	[in progress - Q1 / Q2 2017 closing]	EU	60	30	50%
36	2017	[in progress - Q2 / Q3 2017 closing]	EU	50	25	50%
37	2017	[in progress - Q3 / Q4 2017 closing]	EU	60	30	50%
38	2017	[in progress - Q3 / Q4 2017 closing]	EU	40	20	50%
39	2017	Call for EoI Q1 2017	EU	40	20	50%
TOTAL			1,760	758	43%	

75% of
volume
between
2013 &
2016

Application procedure under Innovfin



* <http://www.eif.org/innovfinequity>

Magic triangle of due diligence

Investment Strategy:

- Focus
- Value creation / Unique Selling Point
- Coherence with the market opportunity, the team and the fund parameters

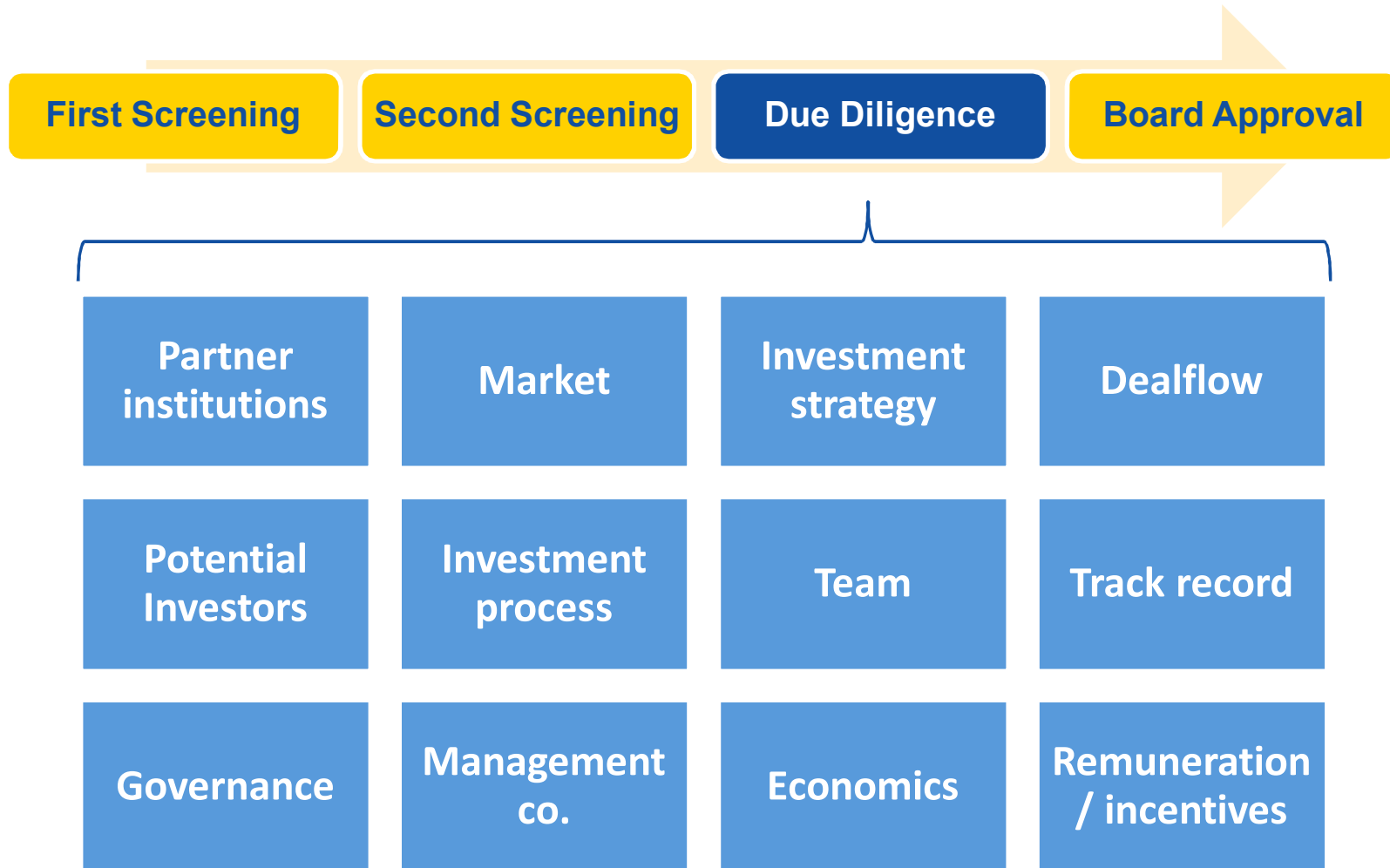


- Adequate skill-set
- Track-record
- Cohesion /stability/succession
- Carry split
- Team commitment
- Governance structure: independence/ conflict of interests
- Reputation (referencing)

- Competition
- Deal flow and deal pipeline

- Fund model: fund size / diversification / reserve policy / investment pace
- Terms and conditions
- Management company budget
- Legal structure / compliance

Investment considerations



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