



How To Link An Innovative Region To Others Around The World. The Next Generation Of Venture Superstar Investors Will Be The Most Global.

Introduction to Panel Discussion

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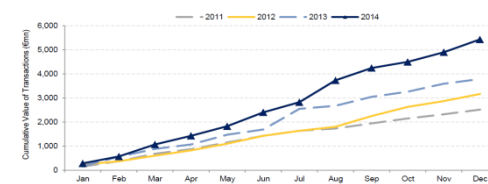
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About Go4Venture Advisers

- ❑ Corporate finance advisory firm dedicated to working with growth technology companies and their investors
- ❑ 11 professionals in London, Paris and US + 4 sector / country advisors; team comprised of international backgrounds and leading experience from investment banking / advisory, VC / PE and industry / consulting
- ❑ Recognised thought leader due to proprietary Headline Transactions Index (HTI)
 - Database and monthly bulletin tracking level of activity in European tech investment, as reported in the press
 - 11k subscribers and growing; referenced in leading tech and finance publications:
- ❑ Strategic relationship with Bank of America Merrill Lynch (BAML)
 - G4V's HTI data republished in BAML's *Monthly EMEA Technology Newsletter*
 - Joint seminars covering key trends in the VC landscape
 - BAML's extensive network enhances G4V access to leading US players



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Executive Summary

- ❑ **European venture is becoming more global and focused on bigger plays, creating challenges for:**
 - **Investors:** who do not have time to identify and track companies across several regions
 - **Companies:** who need to demonstrate more traction to get investors' attention

- ❑ **Rather than sidelining the regions, this in fact creates an opportunity for them to play a vital role at the earlier stages of the venture ecosystem, with respect to:**
 - **Scouting and grooming promising companies**, for both traditional venture investors and emerging corporate investors
 - **Linking the venture and corporate ecosystems**, and helping companies navigate an increasingly complex investor landscape

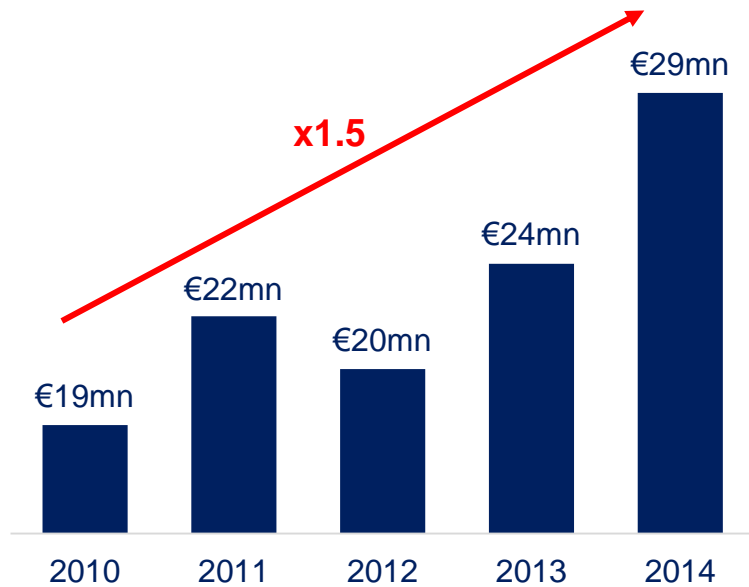
- ❑ **In these slides we present some examples of good practice**

- ❑ **But there is more work to be done to ensure these become common practice**



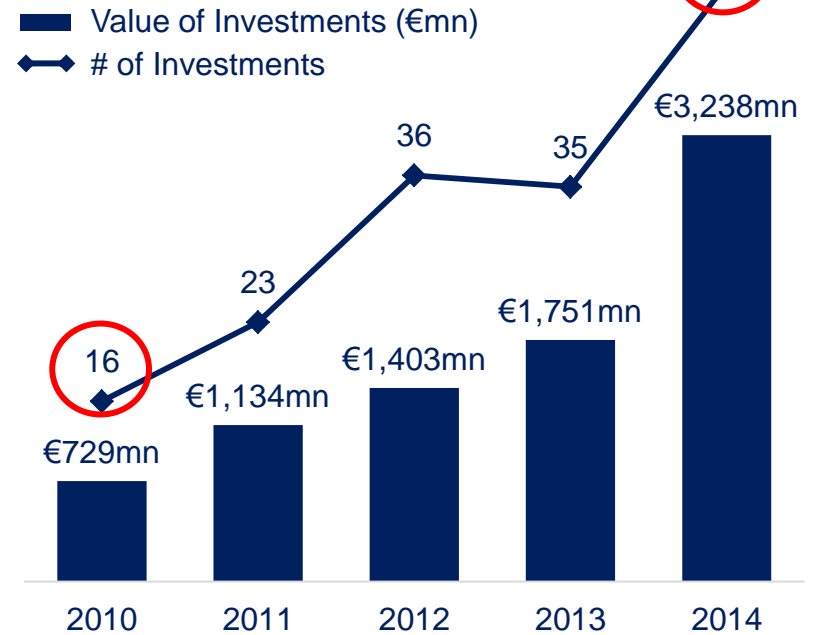
European Venture Deals Are Becoming Larger

Average Value of Large HTI Rounds
(2010-2014, investments ≥ \$10mn)



Source: Go4Venture Advisers HTI Database

and Value of European 'Landmark' Deals
(2010-2014, investments ≥ €20mn)



Source: Go4Venture Advisers HTI Database

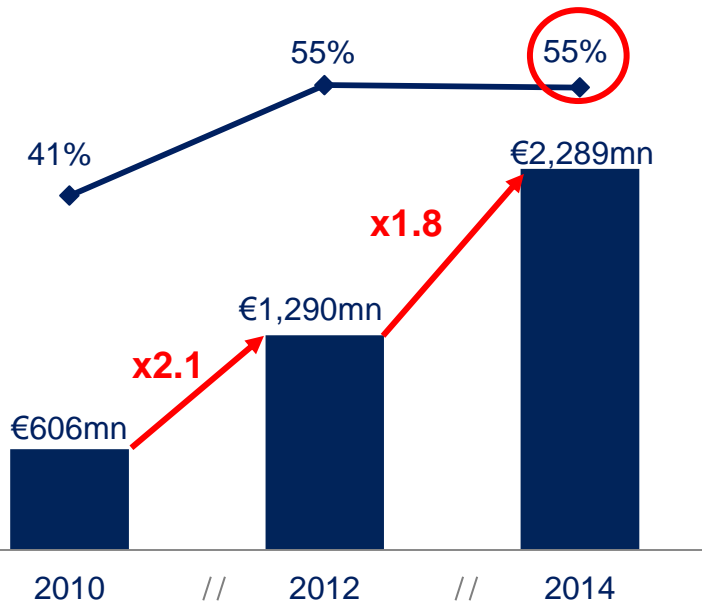
Across all stages, companies are expected to demonstrate more traction before receiving venture funding



The Investor Landscape Is Becoming More International...

Value of European Deals Involving US Investors
(2010-2014, investments ≥ \$10mn)

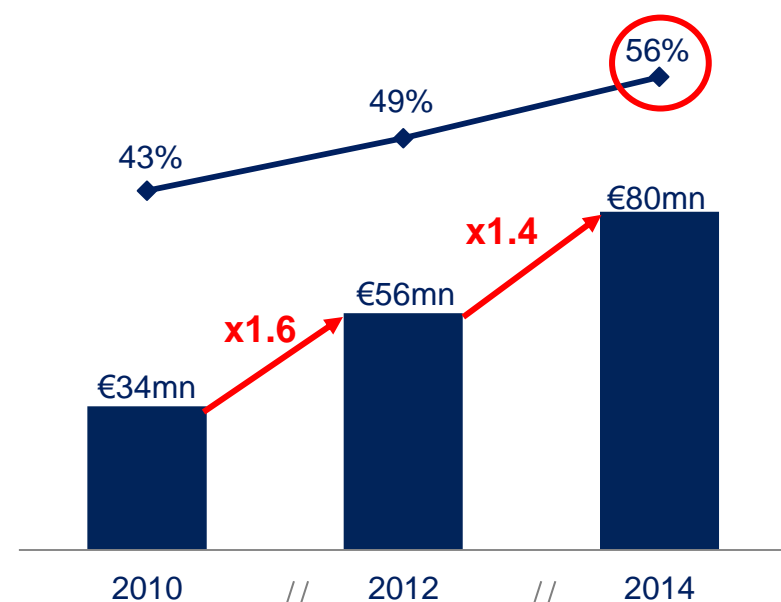
■ Value of Investments (€mn) ◀▶ % of Total



Source: Go4Venture Advisers HTI Database

of European Deals Involving US Investors
(2010-2014, investments ≥ \$10mn)

■ # of Investments ◀▶ % of Total



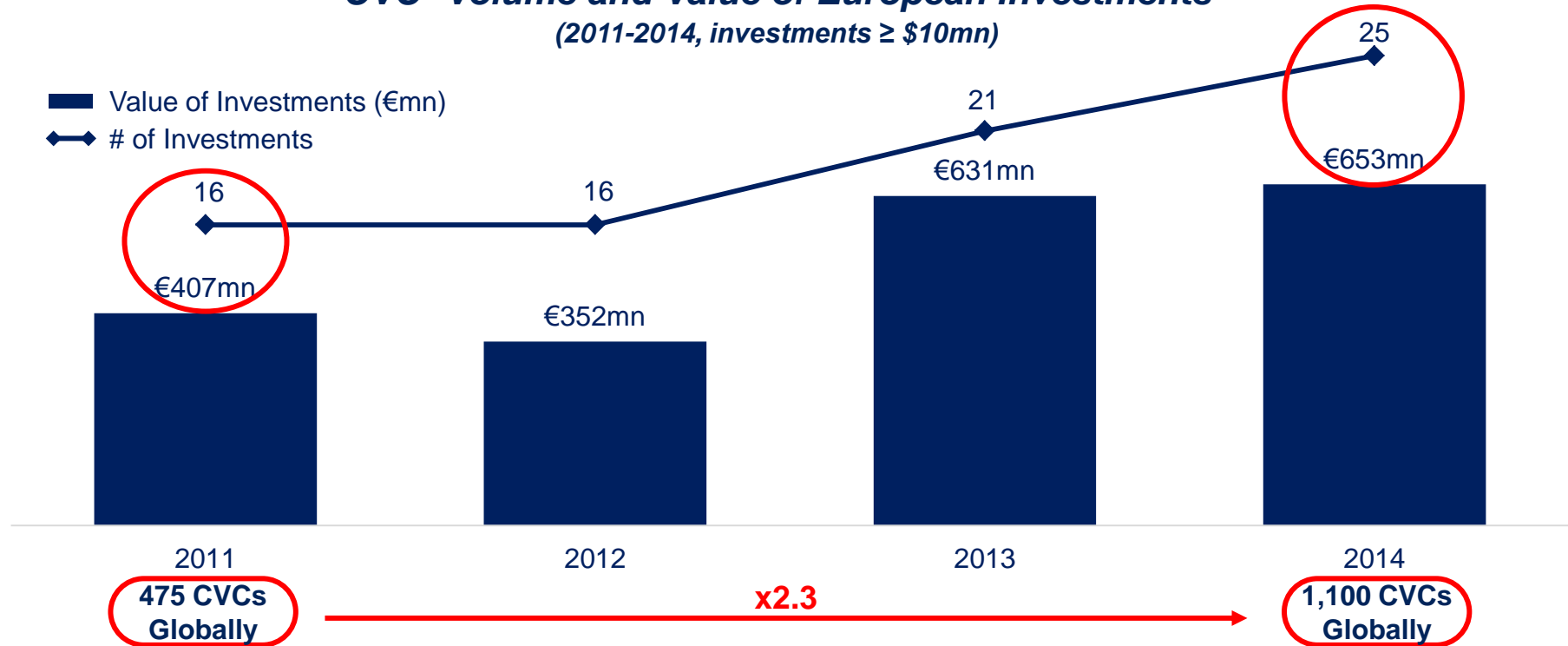
Source: Go4Venture Advisers HTI Database

Global investors lack resources to identify, monitor and support 'up and coming' companies across all regions, preferring to back proven winners



...And More Parties Are Involved, Particularly Corporates

CVC¹ Volume and Value of European Investments
(2011-2014, investments ≥ \$10mn)



Corporates prefer to invest at later stages, rather than betting on companies yet to prove themselves at scale

Source: Go4Venture Advisers LLP; Pitchbook; Global Corporate Venturing
1. CVC = Corporate Venture Capitalists (includes both corporations and corporate VC funds)



This Is An Opportunity For Regions To Play A Bigger Role

- ❑ **Regional initiatives have a vital role to play, with respect to both:**
 - **Increasingly global investors:** acting as their 'local eyes and ears', helping them to identify and track promising companies
 - **Emerging local companies:** providing both practical support and funding, to help them demonstrate the greater traction now required to get investors' attention

- ❑ **These initiatives can take a variety of forms, including:**
 - **University-linked initiatives:** to identify promising new technologies at the earliest stage, and support their commercialisation
 - **Regional initiatives:** to provide infrastructure, office space, advice and capital to promising local companies
 - **Events:** to showcase a region and its best emerging companies

- ❑ **The following slides present some examples of good practice, but there is more work to be done to ensure these become common practice**



Good Practice Example 1 – Imperial Innovations



**Imperial College
London**
Incubator

- Founded in 1986; AIM listed since 2005 with £206mn
- Acts as the technology transfer office for Imperial College London and associated NHS Trusts
- Since 2011, also invests in businesses developed at Cambridge, Oxford and UCL
- Particular expertise in: therapeutics, medtech, engineering and materials and information communication technology
- Provides company formation, lab and office space, operational consulting, investment and co-investment syndication, as well as executive and board recruitment

£161mn invested in 93 portfolio companies, which have together raised £750mn from investors

Imperial Innovations leading portfolio company, **Circassia**, was admitted to the main market of the London Stock Exchange, raising **£200 million** in what Circassia believed was the largest ever UK biotech float – *March 2014*

IXICO was founded in 2004 by academics from the three leading London Academic institutions, Imperial, UCL and Kings...**In 2013, it became IXICO plc, raising £5 million as part of its admission to AIM** – *October 2013*

Imperial Innovations marked an important step in its corporate development with the completion of an IPO of one of its larger portfolio companies on Nasdaq. **Oxford Immunotec**, in which Innovations owned a pre-float **8% stake**, raised **\$64.3m** and saw its shares rise by **28%** on their first day of trading – *November 2013*

Imperial Innovations has **realised £9.5m**...following the **sale of its portfolio company Respivert** to Centocor Ortho Biotech Inc. The disposal delivers a **4.7x return** on Innovations' **three-year investment** – *June 2010*

Thiakis Limited, a company in which Imperial Innovations has a 23.7% stake, has been **sold for a total consideration of up to £100 million** to US-based Wyeth Pharmaceuticals – *December 2008*



Good Practice Example 2 – INESC TEC



- Founded in 2002, INESC Porto provides capital and services to university startups. In 2011, its activities were formalised in a Portugal-wide associate laboratory with 12 R&D centres and 800 researchers, named INESC TEC
- For startups founded at Portuguese universities, INESC TEC offers R&D commercialisation, business incubation, outsourced research and board advisory services
- Alliances with government bodies such as QREN (National Strategic Reference Framework) and FCT (Foundation for Science and Technology) enable INESC TEC to facilitate access to R&D grants

Examples of successes

FIBERSENSING: FROM TECHNOLOGICAL SPIN-OFF TO WORLD LEADER: Hottinger Baldwin Messtechnik GmbH (HBM) acquired FiberSensing – *October 2014*

Kinematix, an INESC TEC/FEUP spin-off, today announced ORTHOMONITOR, a **wearable sensing device**...to measure compliance and provide evidence of clinical efficacy – *October 2014*

INESC TEC and the EDP (Portuguese energy provider) will be **signing a programme contract, formalising a partnership for the next three years**, where the goal is to **develop new solutions** and increase technological competitiveness of the EDP both in Portugal and in international markets – *May 2014*

AuditMark, a company **incubated at the University of Porto's Science and Technology Park**...was **considered the best Portuguese startup** of the year by EuroCloud Portugal – *November 2013*

SPIN-OFF COMPANY...IS FINALIST IN THE COHITEC INITIATIVE: The spin-off **Dependableware**...developed **database management software** which is more flexible, reliable, scalable and profitable – *July 2013*

The lack of tools to support collaborative studies was the motivation to create **Grabmark**, a platform for students to share and exchange study material. **After winning a place in IdeaMove**, the new start-up has received the **support of the Innovation and Technology Transfer Unit (UITT) at INESC TEC** for developing and implementing the business project – *March 2013*



Good Practice Example 3 – STING



- Stockholm Innovation and Growth (STING) is a regional incubator that offers business development services, financing, recruitment support and business networks to Swedish startups
- To date, it has supported 124 companies with a combined revenue of €89mn who have collectively raised over €250mn
- It has so far exited six companies, including:

- STING organises an annual STING day, to which 60 startups are invited to pitch to and network with over 100 international investors. During the course of the day, later stage technology companies, investors and non-profits are invited to speak
- The companies invited range across many sectors of technology, including cleantech, ICT, internet, life sciences and media
- For the 2014 conference, 130 investors from 11 countries attended, representing over €20bn of capital. These included:



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