Spirit Ventures

Turning Research into Successful Companies

EuroNanoForum – Malta - June 22 2017
KETs* are Everywhere: No KETs → No IOTs, No EVs, No new mobiles

* Key Enabling Technologies – photonics, photovoltaics, nanotechnology, advanced materials, industrial biotech, & semiconductors

Source: Pierr-Yves Fonjallaz, Photonics Sweden
Developing KET companies takes time and money

- 2-3 years
  - €4M
  - Proof of concept
  - Local soft funding available for co-investment

- 2-3 years
  - €10-15M
  - Proof of performance
  - VC funding near absent

- 2-3 years
  - €10-20M
  - Proof of product
  - VC funding near absent

- 2-3 years
  - €20-40M
  - Proof of production
  - Limited strategic co-investment available

- 2-3 years
  - €30-50M
  - Proof of profitability
  - Institutional late stage investment available

Overall: 10-15 years
- €70-120M
But there is a big funding gap for KET companies

Without better VC support for KET’s; we risk losing a strong technological base!

We need a new model to solve this Funding Gap!

Source: Preqin
... has received overwhelming local support

2 samples of 19 letters of support from local industry & research groups

Held 12 RoundTable meetings:
- Malmö, Lund (2x), Linköping, Gothenburg, Stockholm (2x), Köpenhamn, Uleo, Helsinki, Hamburg, Brussels
Spirit Update

- EFSI funding application have been submitted.
- China trip yielded strong interest from several funds. All Chinese investors would like to first see EFSI support for Spirit.
- Received EuVECA regulatory approval from the Sweden Financial Authority (valid for all of Europe).
- Portfolio company pipeline is growing nicely. Many exciting investment opportunities.
- We remain active in the Northern Europe and KET spheres: a) panel speaker at Latitude 59 (Estonian technology conference) in late May in Tallinn, b) speaker and judge at InnoFest in Oulu (Finland) in early June, and c) and speaking at the NanoForum conference (Malta).
Fund Terms

• Fund size: €300M
  – EU strategic investment fund (EFSI) among other LPs
  – Second tranche if demand is > €300M
• Partnership life: 15 years
• Management fee: 2% annually
• Carried interest: 20% of performance, earned only after LPs recoup their original investment
• Fund Domicile: Luxembourg
• Legal Counsel: Ramberg Advokater AB, Luther SA (Luxembourg)