



European Venture Capital Landscape

Paul Webber

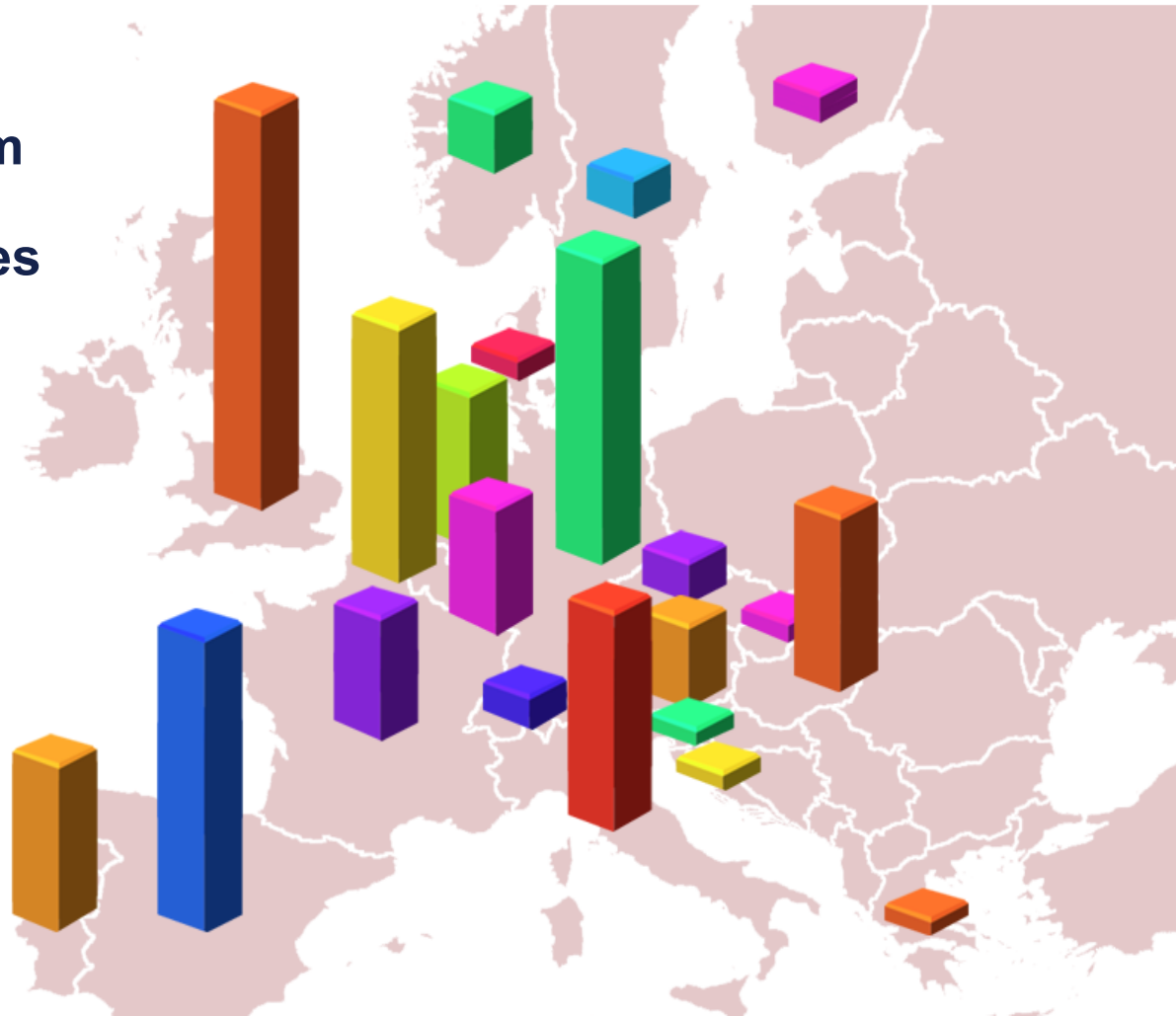
www.europeanventureclub.com

About Europe Unlimited

Leading European Platform

> 800 Applying Companies

– ICT/LS/CT



Europe's VC challenge



Scale-up VC in Europe & single VC market

Europe's VC challenge

- A fully-fledged **VC ecosystem in Europe is not in place** to exploit the innovation and skills on the continent. The number of entrepreneurs is increasing....
- **Private institutional investors are leaving** just at a time when they are needed to stimulate innovation, growth and the economy. Too reliant on public sector funds and initiatives which can often be too policy based and thus distort the market. The market needs to find itself. **EIB/EIF now playing an ever important role.**
- **Funding gap remains high** especially compared to the US.
- **VC in Europe accounts for just 5-6 Billion euros per year.** This is tiny compared to other asset classes.

Europe's VC Challenge

USA - Europe

5 - 1

Europe's VC challenge

- Europe lacks a community of long term partners for VC that would embrace VC; be committed to **building the necessary expertise in the sector and have the right investment size to make venture commitments economically meaningful and to accept inherent risks**. There has to be a long term orientation to funds and funds of funds.
- This class of investor does exist in the US, in particular in the form of university endowments, who have significant success.
- At the same time, **barriers to entry are going up** and it is no longer a cottage industry – regulation, risk management, increased expertise.....

Europe's VC challenge

- VC capital is highly fragmented – **funds have to be structured around 27 national operating environments.** Creates significant obstacles and diseconomies of scale and adversely affects fund raising. **Improving the tax and regulatory environment is thus a key priority.**
- Entrepreneurship and research needs to be promoted and inventors need to bring commercial ideas and patents to the market.
- **Treat entrepreneurship and innovation differently.** Entrepreneurship does not always require innovation, in most cases this would be better achieved with other tools than venture funding, and should be promoted in all European regions.

Europe's VC challenge

- **Remove obstacles to cross border investments by VC funds.**

Stimulating cross-border will improve specialisation, increase returns and diversify portfolios as VCs gain access to increased deal flow. **SMEs will have access to a wider pool of VC and sector market expertise.**

- **Some good news.....??**

Venture-capital funds in the European Union may be granted a “passport” to invest anywhere in the EU under proposals to advance the region’s single market and spur economic growth. Funds established in one member state would be allowed “to invest in any another member state”



A collaborative industry initiative

www.europeanventureclub.com

Industry Initiative

1. **best / most active investors**
2. **collaborative platform**

- I. **Facilitate fund-raising**
- II. **Work together for returns**
- III. **Internationalise**

Goals

- **Promote the asset class**
- **Optimize access to capital**
- **Bring liquidity on portfolios**
- **Collaborate with gover. & corporate initiatives**
- **Cross- border investment and co-investment**

Facilitate fund-raising
Increase returns

17 Members ...

SOFINNOVA

EARLYBIRD
Venture Capital

Sunstone
Capital

360
CAPITAL PARTNERS

Capricorn
VENTURE PARTNERS

Aescap

OCTOPUS
VENTURES

SRIW
Société Régionale
d'Investissement de Wallonie

NGNCAPITAL
NEW GLOBAL NETWORK

ATLANTE VENTURES

newion investments
a new eye on investments

Sociedade de Capital de Risco, SA
Caixa Capital
Grupo CGD

INTESA SANPAOLO

PHILIPS

ST

FINNVERA

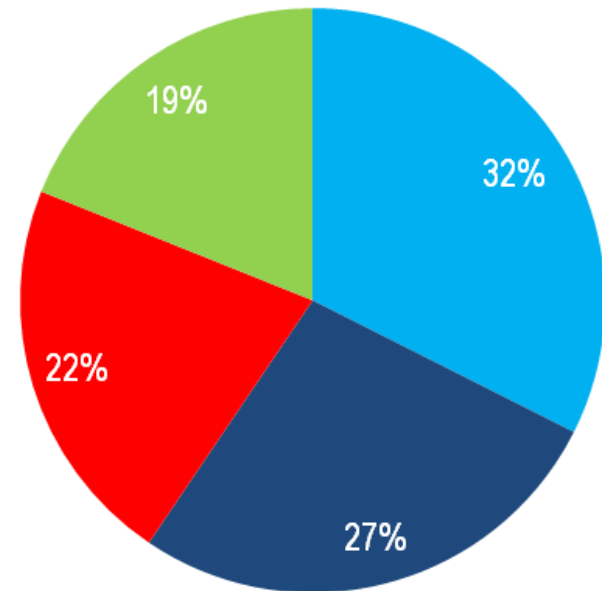
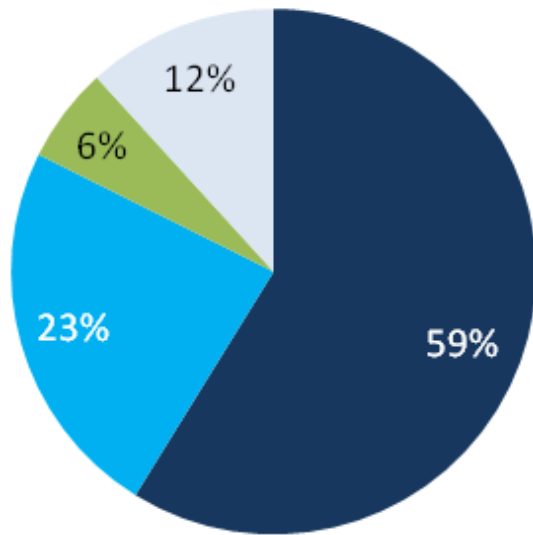
CISCO

BASF
The Chemical Company

Club – Investors Profile

■ Ind. ■ Corp. ■ Gov. ■ Bank Inst

■ ICT ■ Medtech ■ Therapeutics ■ Cleantech



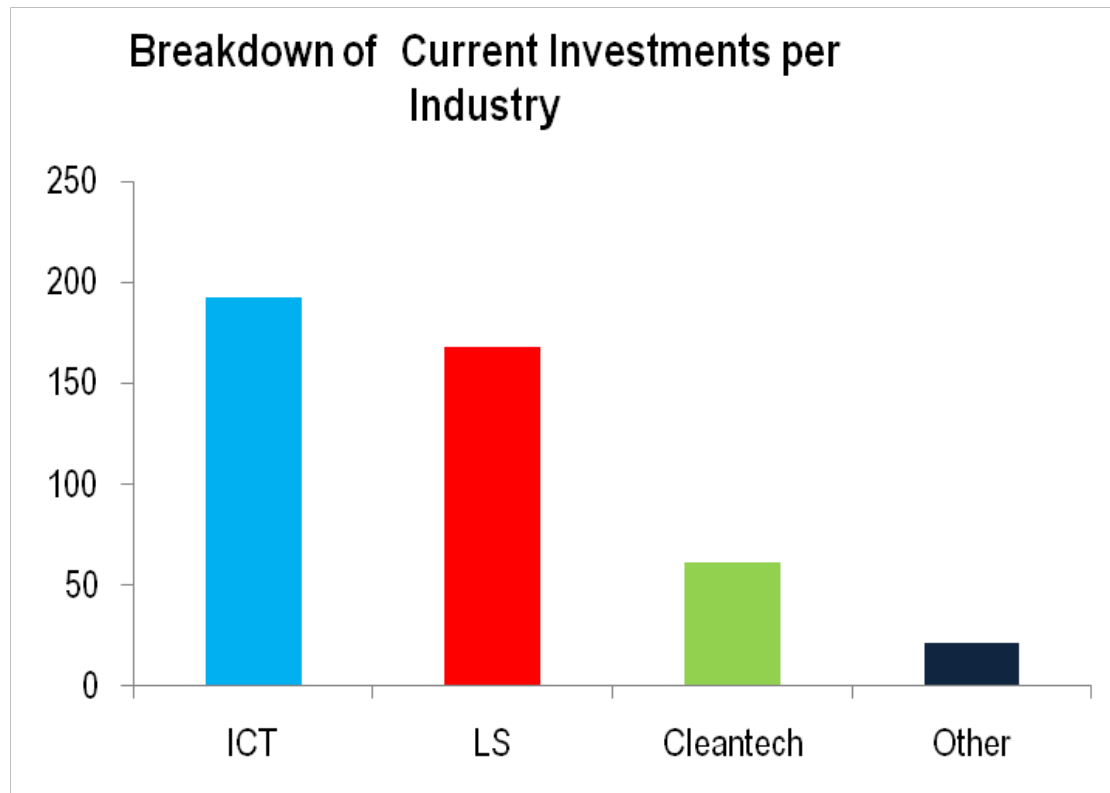
€5 bill. AuM



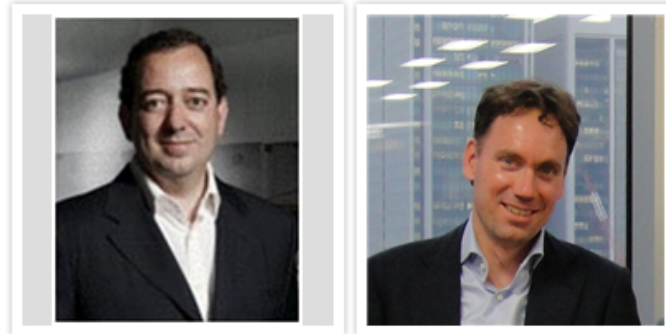
Double by 06/2011

Club - Investment

>>500 portfolio comps (Ind. Only)



Leadership



- **Jorge Tomé, Caixa Capital**
- **Jean Schmitt, Sofinnova**
- **Christian Nagel, Earlybird**
- **Peter Benson, Sunstone**
- **Diana Saraceni, 360°Capital**
- **Diogo Vasconcelos, Cisco**
- **Erik Vermeulen, Philips**

coordination

- **William Stevens & Teresa Cunha**

Europe Unlimited

Institutional agenda

- 1. International VC fund-of-funds**
- 2. Crossborder co-investment facilities**
- 3. Investor relations programmes**
- 4. Single market for VC**

Actions 2011

- 1. Club of VC Champions in Europe**
- 2. Foster fund raising**
- 3. Promote top portfolio companies**
- 4. Better practice & knowledge sharing**
- 5. Provide input to EU VC scheme (EVCA)**
- 6. Cross-border invest.& funding facilities**

1 - Club of VC Champions in EU

■ Objectives

- Quality Membership
- key performance & investment messages
- Public/investor relations impact

1 - Club of VC Champions in EU

■ Actions

- Performance data / key stats partnership professional org. (Preqin, Cambridge Associates, ...)
- Publish regularly
- Effective PR & IR actions

2 - Foster fund raising

- **Objectives**

- Contacts investors in Europe & outside

- **Actions**

- Mobilize investors at milestone events
- breakfast/dialogue meetings with family offices
- EC & EIF/EIB & EBRD

3 - Promote top portfolio comp.

■ Objectives

- Increase returns & growth portfolio companies
- Exchange of knowledge portfolio companies

■ Actions

- best 2/3 portfolio comps. by industry sector
- Online full profile & presentations of comps.-members
- EU VC TOP “sector” Companies -public access

4 - Better practice & knowledge sharing

■ Objectives

- Leveraging on members' knowledge & contacts
- Better performance portfolio companies

■ Actions

- member presentations of challenge comps/funds at Round Table & webinar

5 – Input into EU scheme for VC

■ Objectives

- Common recommendations with EVCA

■ Actions

- Provide input to EVCA
- Present recommendations at own events

6 - Cross-border invest. & funding facilities

■ Objectives

- Facilitate Members cross-border investment and efficacy
- Exploit EU or regional funding

■ Actions

- Define smart co-investment and funding schemes
- Assess feasibility (EIF, EIB, regional funds, ...)

Thank you

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