

Tech transfer: new model or traditional VC financing?

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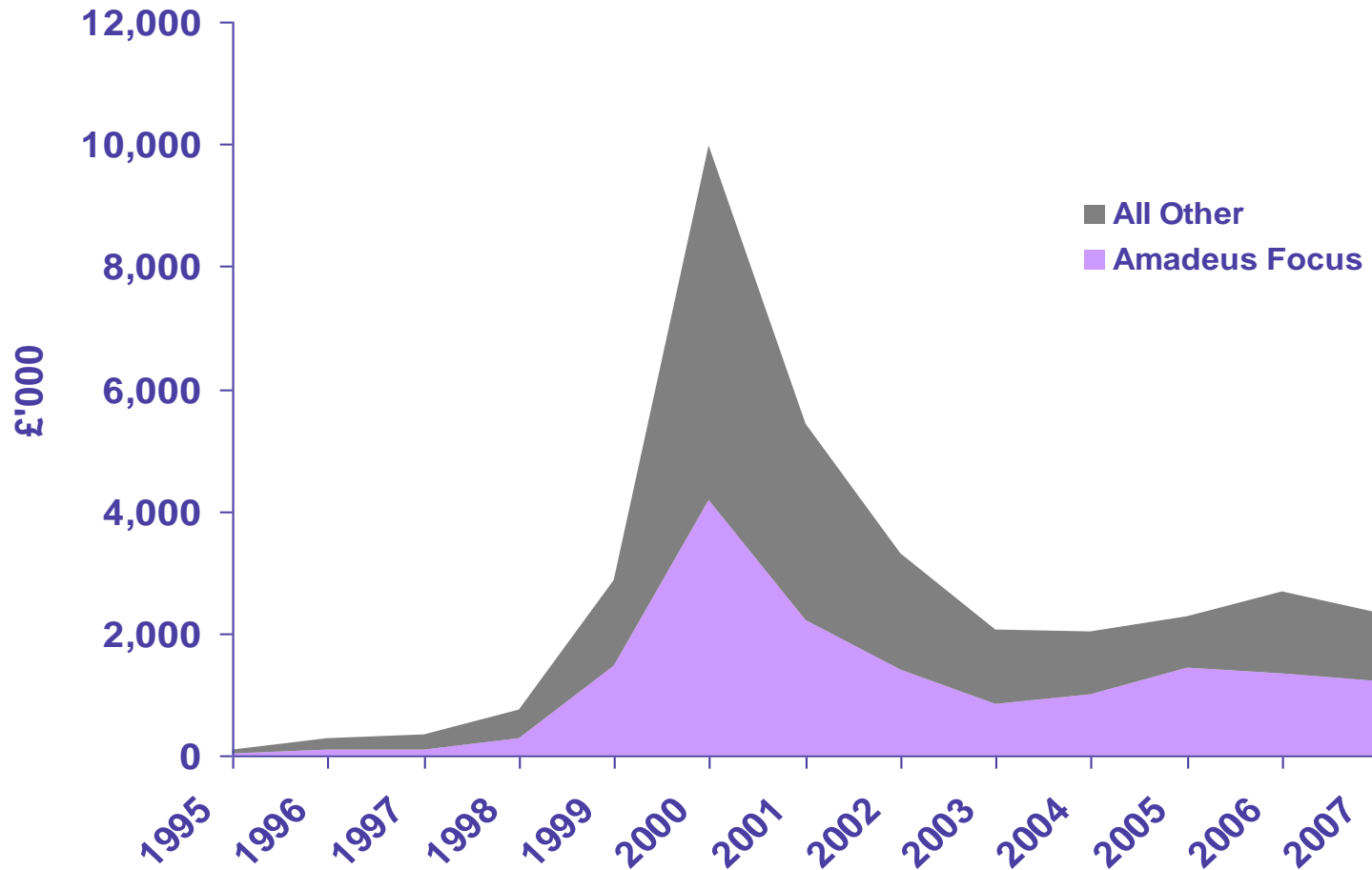
Comparison between VC and Tech Transfer it is choice, not a continuum!

- Venture Capital
 - Part of a financial ecosystem
 - Focuses on value creation from building new global winners
 - Biggest question is not technology, but market adoption and defensibility
 - Requires exit visibility within 5-7 years
 - Tends to move rapidly between sectors
 - seeking the 'new, new thing!'
 - Has been moving into more capital efficient sectors:
 - Internet apps vs. infrastructure
 - Medtech vs biotech
- Technology Transfer
 - Part of an industry ecosystem
 - Focuses on value creation from rapid technology adoption
 - Biggest question is where is this innovation best exploited – existing or new corporation?
 - Requires technology or IP defensibility for 10-15 years
 - Tends to deepen within a sector
 - searching for broader impact on the industry
 - Is often operating in capital intensive sectors;
 - Materials and chemistry
 - Genomics and Stem Cells

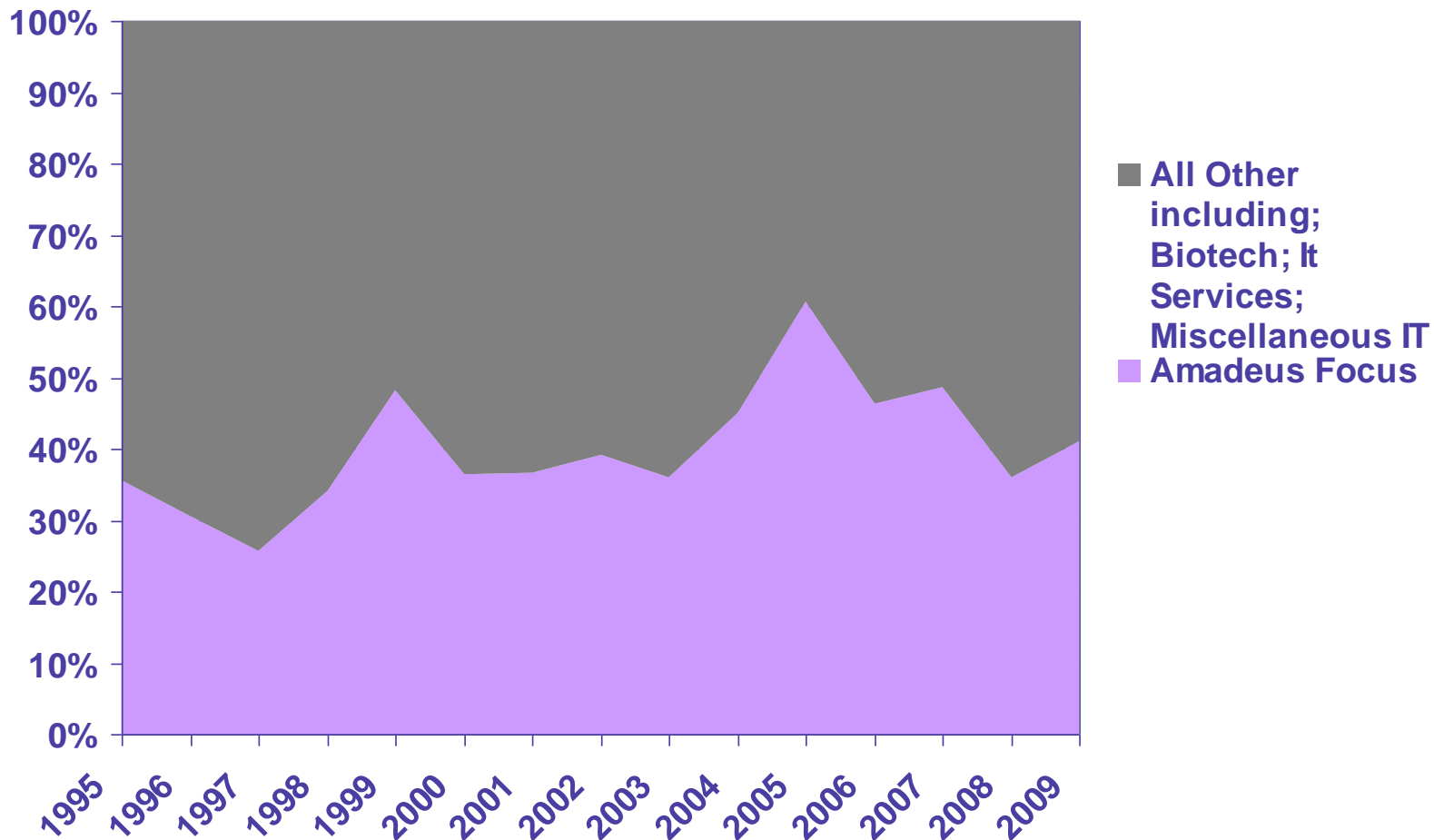
When the two are combined there can be some astoundingly positive results



Annual European VC Capital Investment By Market Sector 1995-2007



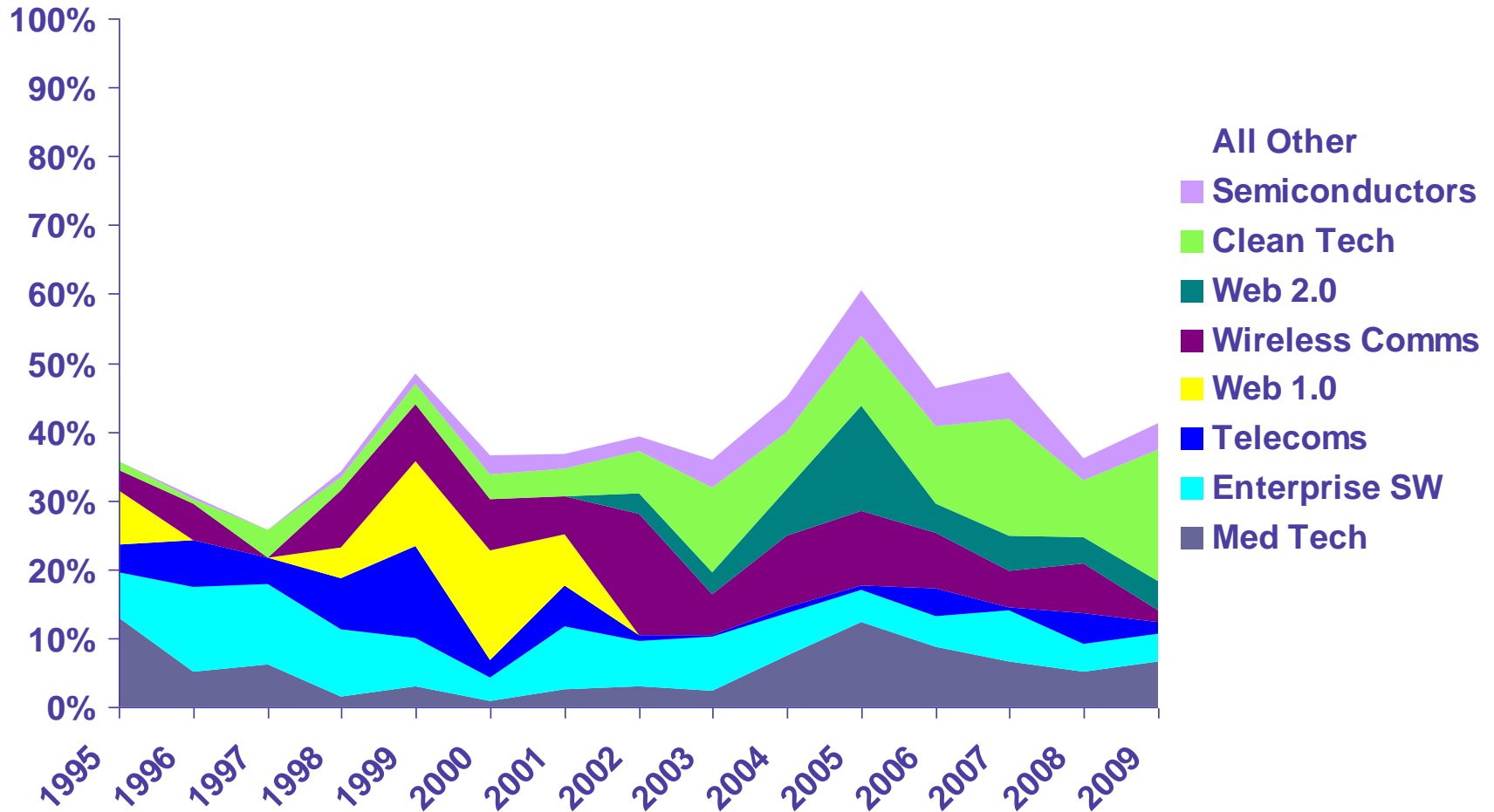
Annual European VC Investment (% of capital) By Market Sector 1995-2009



Amadeus addresses about 50% of the market opportunity in VC

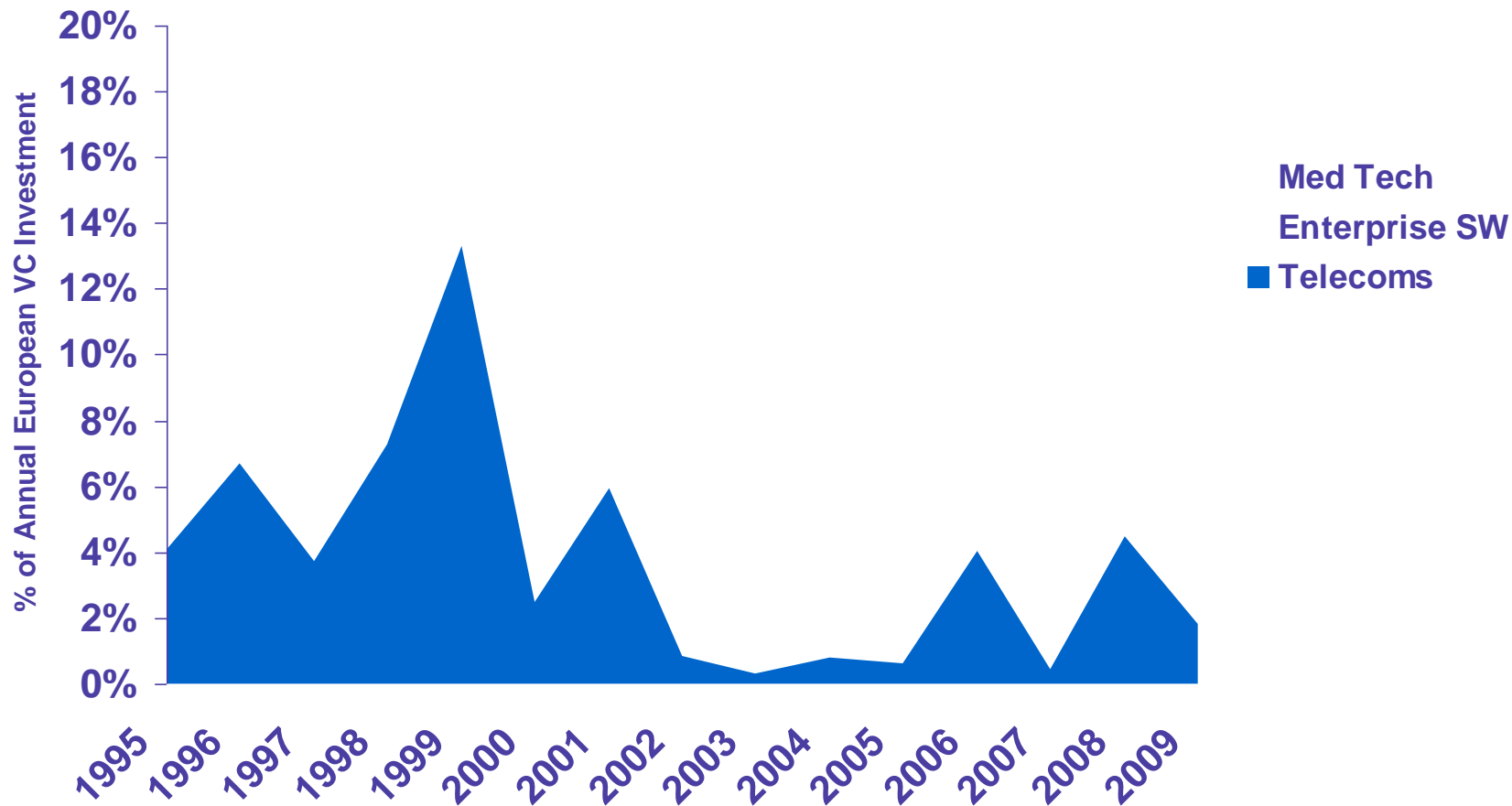


Annual European VC Investment (% of capital) By Market Sector 1995-2009



...but must shift its interest as new sectors emerge within the VC market

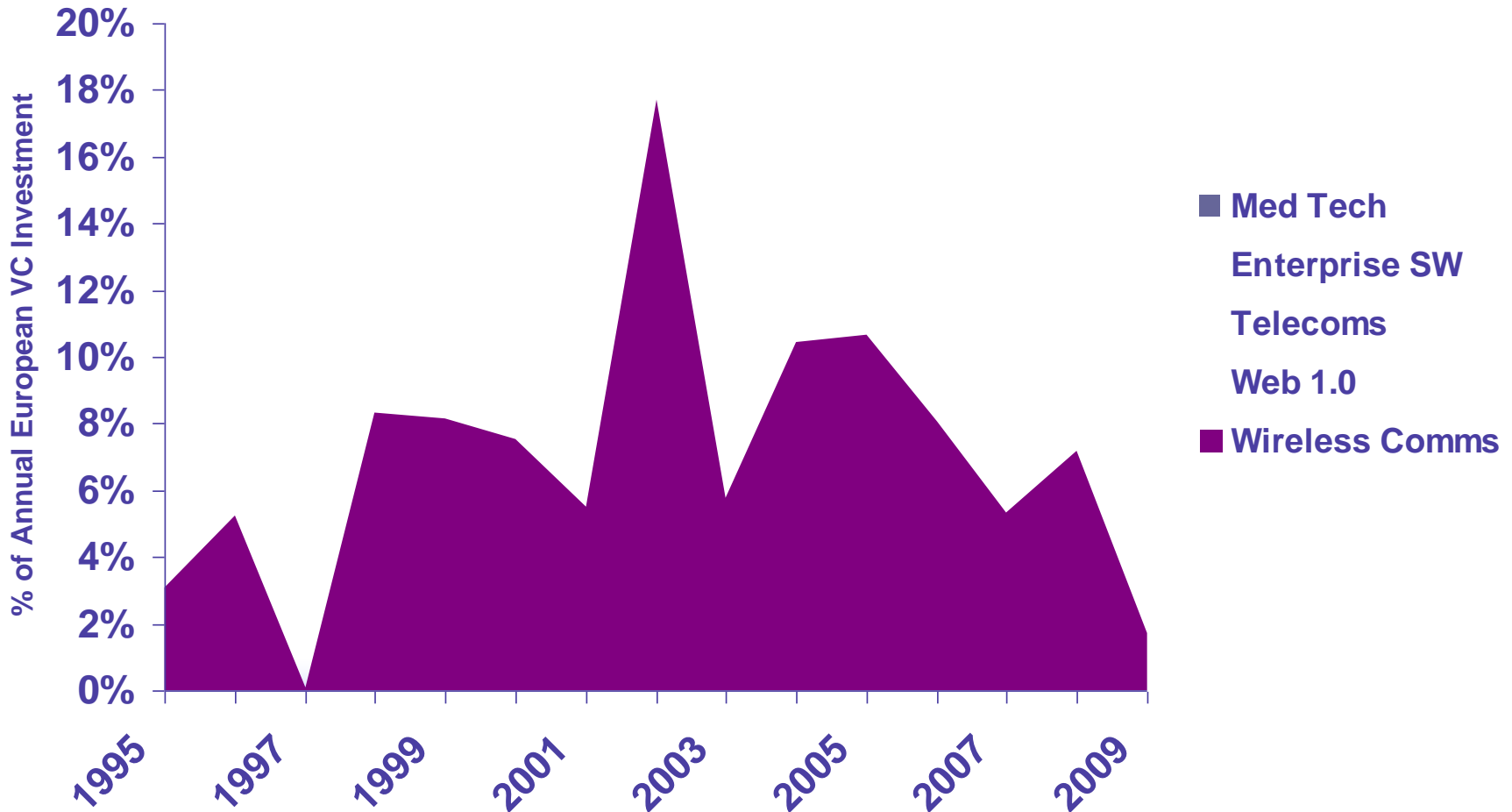
Annual European VC Investment (% of capital) By Market Sector 1995-2009



Telecomms infrastructure was a very successful focus in the late 90's



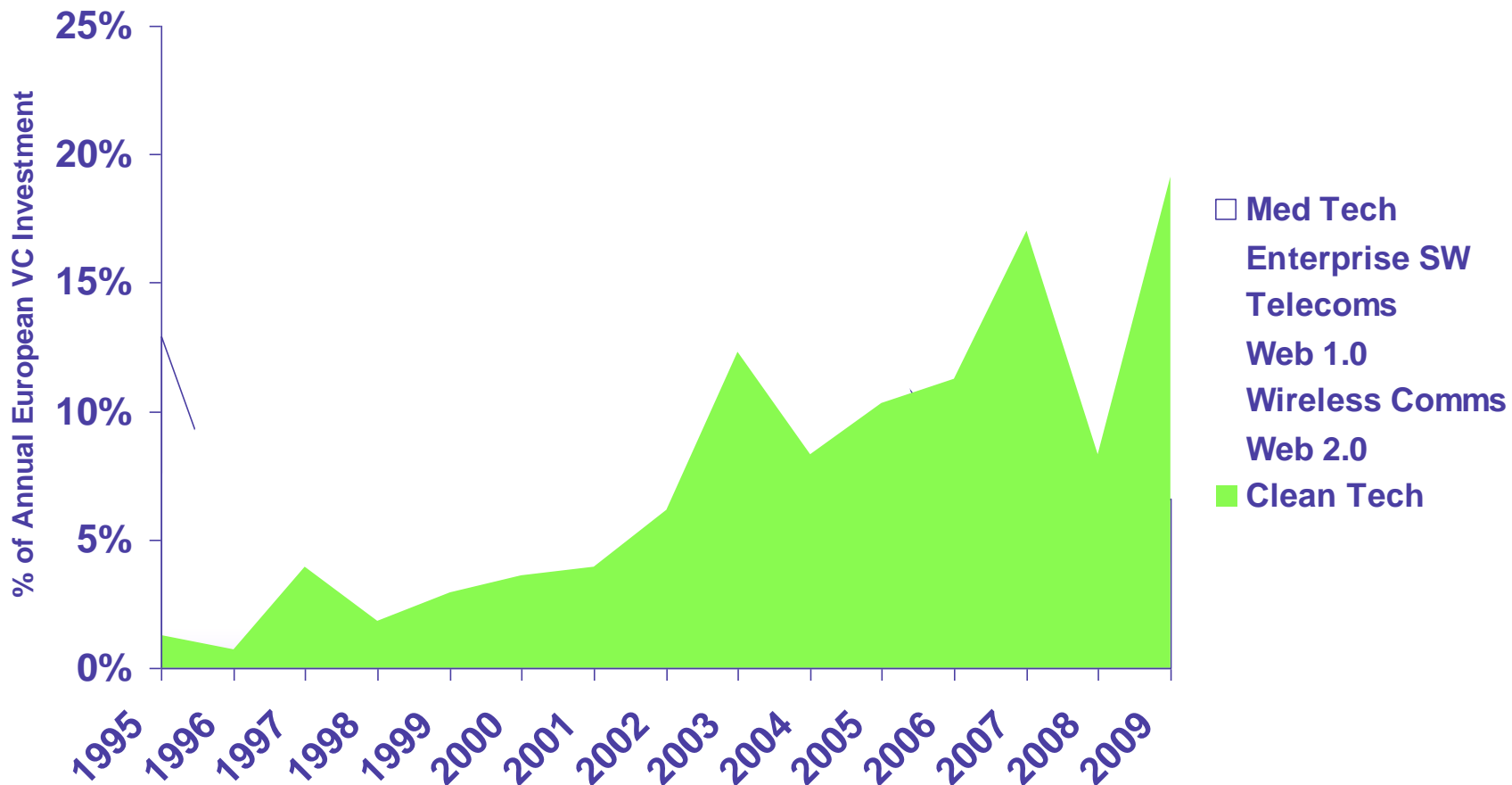
Annual European VC Investment (% of capital) By Market Sector 1995-2009



..but moved to wireless communications since the bursting of the internet bubble



Annual European VC Investment (% of capital) By Market Sector 1995-2009



.. and more recently cleantech has emerged as a 'third leg of the stool'



Amadeus Snapshot

Overview of Funds (31 December 2009)

Fund	Size	Status	Companies	Focus
Amadeus I (1998)	£50m	Fully invested (£53m)	24	Early Stage Primarily UK
Amadeus II (2000)	£235m	93% invested (£219m)	30	Balanced UK and Selectively in Europe
Amadeus III (2006)	£162m	51% invested (£82m)	20	Balanced UK, Cont. Europe & Selectively in Israel

AMSF (2001)	£3m	75% invested (£2.2m)	2	Seed Stage Southeast England
AASF (2006)	£10m	28% invested (£2.8m)	6	Seed UK
Amadeus EI (2009)	£13m	39% invested (£5.2m)	3	Secondary UK and Cont. Europe

Our ambition is to be the leading European technology VC

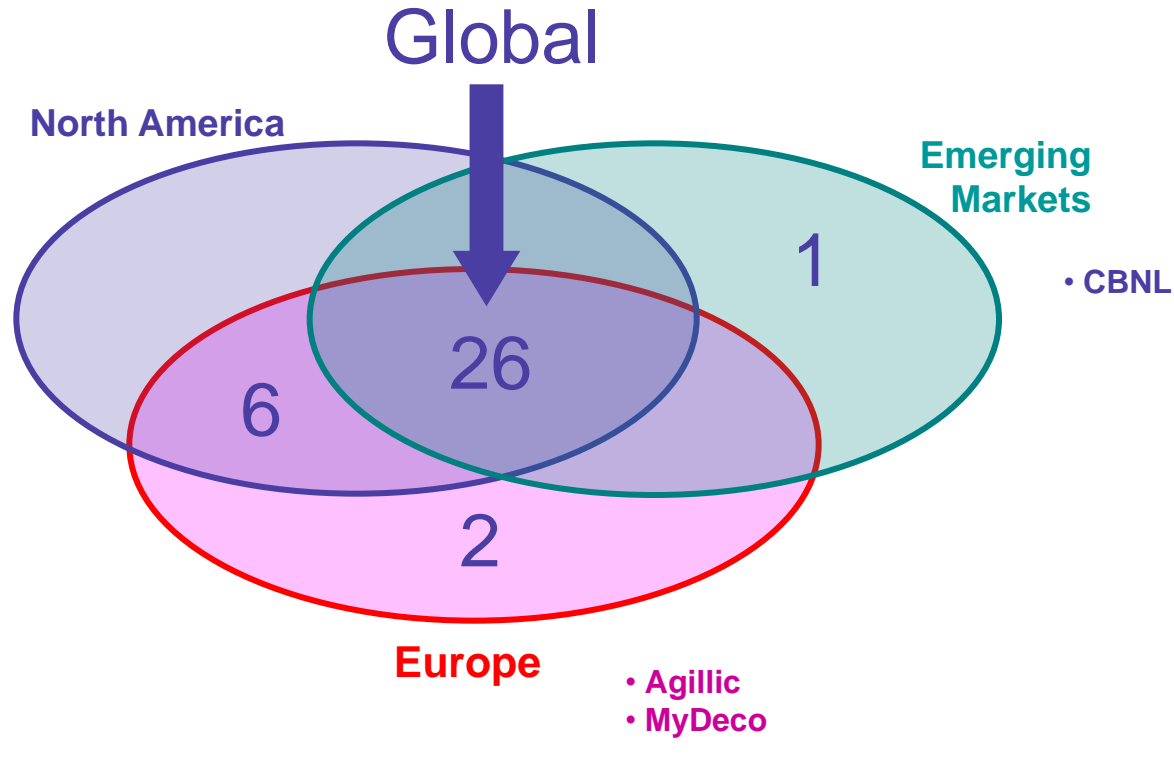


Amadeus Approach

Current Portfolio

- Optos
- Enqii
- Glysure
- Icera
- Intune
- Ip.access
- Liquavista
- Nomad
- Octo-telematics
- Openbravo
- Tobii
- XMOS
- Veebeam
- AePONA
- Clearswift
- Celltick
- ForeScout
- Nujira
- Packetfront
- PlasticLogic
- Power ID
- Power Paper
- Seven
- Solarflare
- Teraview
- Transmode
- Xelerated

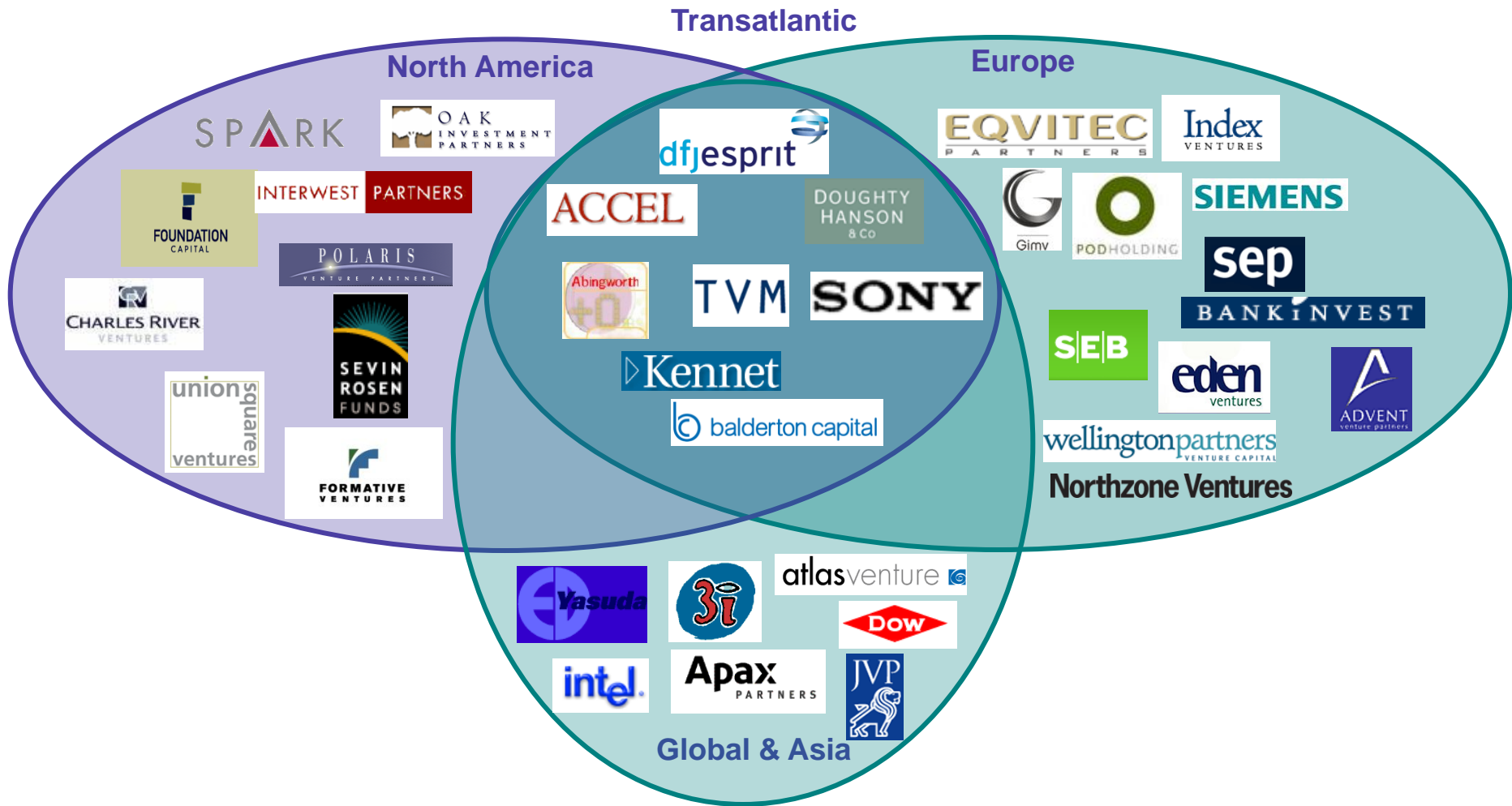
- AMEE
- Covestor
- GreenRoad
- Edgeware
- Episerver
- ForthDD



26 out of 35 Companies have Global Ambitions



Co-investor Community

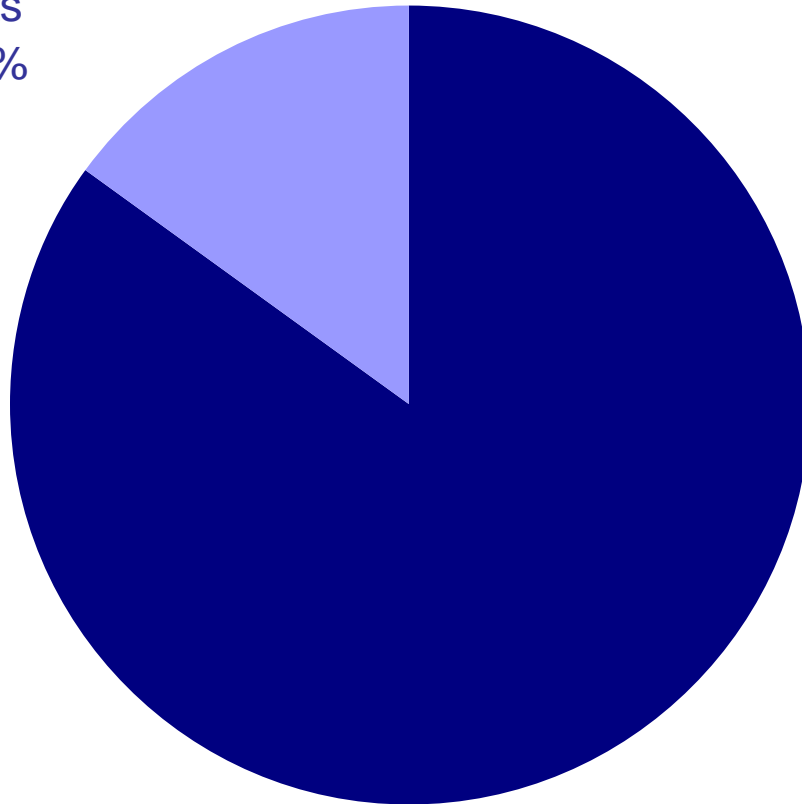


We syndicate with relevant partners in all geographies



University Spin-outs as a proportion of the Amadeus Portfolio

University spin
outs
15%

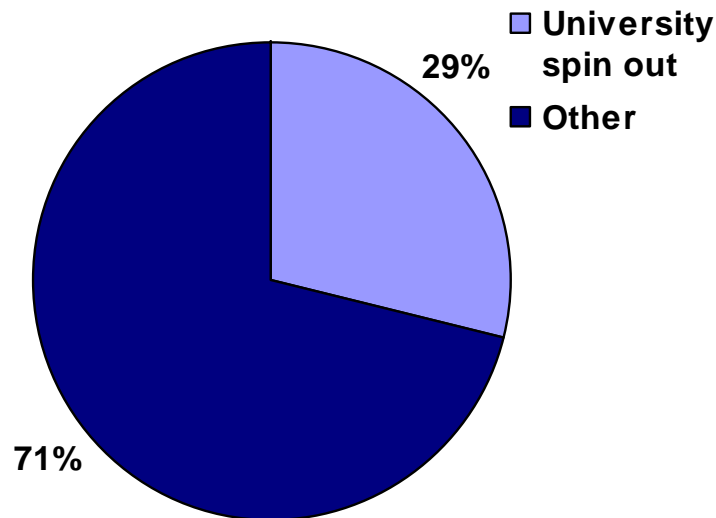


Other Amadeus
Portfolio
85%

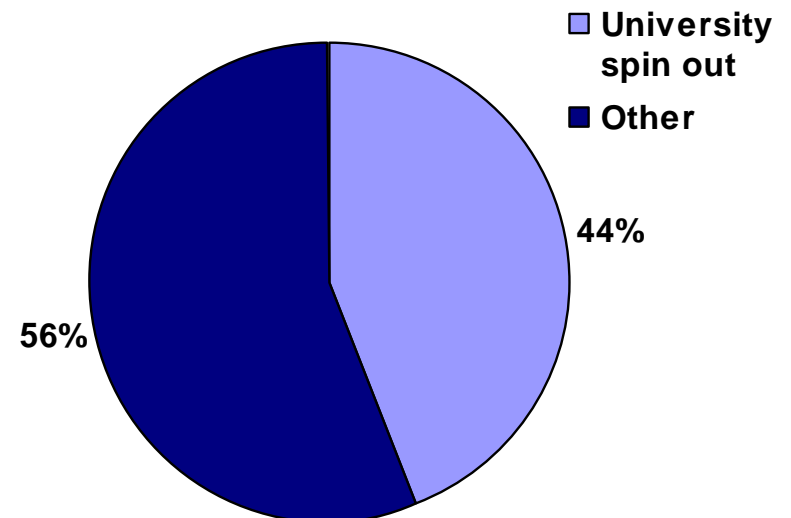


29% of realised capital has been invested in University spin outs and this has generated 44% of the realised return

% of realised capital invested



% of realised returns



When do Tech Transfer and VC work best together?

- Technology Innovation can disrupt a large industry
 - Existing players unlikely to adopt – but may acquire!
 - New business models are possible
 - Links to ‘early adopting’ pilot customers are possible
- The core IP can be surrounded and supplemented by a pipeline agreement
 - New product pipeline can evolve from the technology
 - Broader applications could emerge in the near future
 - Significant ‘know-how’ can be built around the technology
- The founders see the benefits of aggressive and early recruitment of world class business talent

