



IP 2018

8th International Conference on “Managing Intellectual Property Rights in Universities”

UCL Technology Fund



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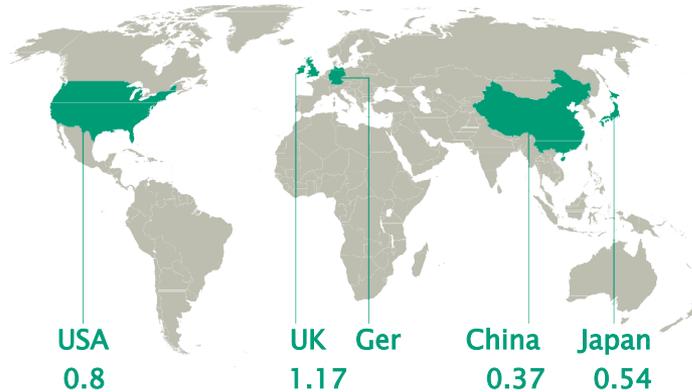
Albion Capital



ALBION CAPITAL

UK & UCL World Leading in Research and Funding

Scientific Publications/GDP*



World-leading on research

- Highest-ranked on research productivity
- Home to Europe's leading universities

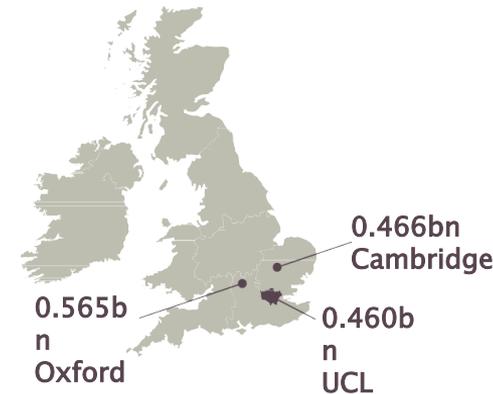
Largest VC funding market in Europe

- 37% of all VC investment in Europe
- £8.1bn tech, £2.7bn life sciences 2012 to 2017

Largest university IP funding market in Europe

- £2bn raised to date

Research Income (£)**



UCL is on par with Oxford and Cambridge

- Research income in 2017 at similar level

Significant disparity in venture capital raised

- Oxford Sciences Innovation (~£600m)
- Cambridge Innovation Capital (£125m, raising more)
- UCL Technology Fund (£53m)

* Publications based on Nature Index 2017 Weighted Fractional Count, normalised to GDP

** Year end 2017

University College London/UCL Business

University College London

Third largest university in the UK

- 11,500 researchers and academic staff
- £1.3bn income, of which £0.5bn from research grants and contracts

Among top 10 universities worldwide and top 5 in Europe;

#1 in UK for strength of research output and impact (REF2014)

UCL Business

Established in 1993; part of UCL Innovation & Enterprise

50 Staff, senior team with >20 years technology transfer experience each & strong non-exec board

KPIs (2003–2018)

- 129 spin-outs, which have raised **£1.4bn** combined investment to date
- Exited 22 companies with total proceeds **£1.8bn**
- Current portfolio of 38 spin-out companies
- Licensing income from 326 technologies

Spun out several of the most successful UK university start-ups



First marketed cancer immunotherapy company, sold to Amgen for \$1bn



Most successful AI company, sold to Google for \$600m



Cancer immunotherapy company, Nasdaq IPO at \$1.1bn in June 2018



Rare disease gene therapy company, raised ~\$300m to date



Eye disease gene therapy company, Nasdaq IPO at \$450m in June 2018

Albion Capital

Established over 22 years ago

£1.1bn assets and commitments under management in institutional and retail platforms

Of which ~£450m in Early-stage and Growth

Venture Capital Trusts

£400m

UCL Technology Fund

£53m

Deep domain expertise and proven success in core areas of UCL Tech Fund

- Life Sciences and Health Technology
- Software

Team of 43, 21 investment professionals with average ~10 years' investing experience

- 15 FTEs dedicated to Early-stage & Growth investing

Strong investment returns

- "Top quartile" performance in technology & healthcare

UCL Technology Fund Summary

- Set up in Jan'16 to finance commercialisation of IP from UCL
- Partnership between UCLB and Albion Capital; UCLTF has access to all IP coming out of UCL
- £53m in commitments from EIF and IP Group; 5 year investment period; 10 +2 year life
- Unique investment approach ensures capital efficiency while maximising returns
 - Investment amounts <£100k to £5m
 - Investments in spin-out companies and projects remaining within university
- 7 investment professionals from Albion + UCLB; Experienced life sciences executives as advisors
- Investments in 28 spin-out companies and projects made to date; Strong focus on gene therapy, cancer therapy and artificial intelligence



UCLTF – Partnership Based Operating Model

Albion as Fund Manager (and GP)

- 22 years of fund management experience
- Independence
- Early-stage & growth investment experience
- Venture networks
- FCA Authorisation (AIFM full registration)

Roles & Responsibilities

- Governance incl. Investment Committees
- Investment decision-making
- Deal structuring
- Portfolio input incl. management team building
- Fund accounting & investor relations

UCLB as “Technical Advisor”

- 25 years of TTO experience
- Access to academics, projects & university depts.
- IP expertise and operations
- Project management
- Interface with university incl. strategic, finance

Roles & Responsibilities

- Project origination & initial work-up
- IP management
- Ongoing liaison with academics and project coord'n
- Licensing
- Portfolio input incl. management team building

UCLTF – Investment Approach

3 Types of Investment

Optimised Commercialisation Route

Proof of Concept projects

- Up to £100k
- Pre-commercial evaluation and development
- Secures pre-emption rights

Projects for licensing

- Up to £1m
- Remain within university
- Defined revenue share with UCLB
- License out early and/or seek further grant-funding

Spin-outs

- £1m to £2.5m Seed / Series A
- Defined valuation & deal structure at investment
- Hands-on approach: Albion involved in early strategy, team building and syndication

Licensing route (*primarily life sciences*)

- For narrowly focused technologies
- To be licensed early to corporate partner
 - ✓ Capital efficient
 - Less overhead
 - Leverages university infrastructure
 - Better able to access grants
 - ✓ Early licensing reduces financial exposure
 - ✓ Spreads risk across broad portfolio
 - ✓ Retains upside

Spin-outs (*life and physical sciences*)

- For technology platforms or applications with large markets
- Early syndication with VCs from Albion network
- Early-stage spin-out model that leverages funding from UTF ecosystem

UCLTF – Investment Highlights

>£450m external funding into portfolio companies over last 2.5 years



MEIRAGTx

First Nasdaq IPO – 2 more anticipated in next 12 months

Orchard
therapeutics

Raised ~\$300m



FREELINE
THERAPEUTICS

Raised ~\$150m

Bloomsbury AI joins Facebook



HAZY

wins \$1.5m global Microsoft award – ahead of 250 leading AI companies