

£50M TO SUPPORT LIFE SCIENCES

New fund from Rock Spring Ventures will back sector growth

Rock Spring Ventures today launched a unique £50m venture capital fund focusing on early-stage life science and health technology companies.

Based in Scotland, the fund will invest in young companies developing novel approaches to unmet needs in the study and treatment of major diseases and technologies designed to advance better healthcare delivery.

The new fund has secured early commitments for more than half of its £50m target from an unprecedented syndicate of international investors. Initial investors include the European Investment Fund (EIF); Scottish Enterprise through the Scottish Investment Bank; Strathclyde Pension Fund; Rock Spring Ventures LP (RSV-US) and the Universities of Glasgow, Edinburgh and Aberdeen. The fund aims to provide venture capital to the most promising life science technologies, including those being spun-out from leading universities.

Rock Spring Ventures EU LP (RSV-EU) is led by a sector-specific investment team with significant company-building experience. Managing partners Sinclair Dunlop and (Ms) Kyp Sirinakis have managed three US-based venture funds during the last fifteen years. Dunlop recently returned from the US to his native Scotland to launch the new fund.

Created in response to an identified need for more sector-specific financial backing, RSV-EU plans to help address the lack of venture funding by becoming a 'local champion' for the life science sector in what the Fund firmly believes to be 'under-ventured' markets in Scotland and other parts of the UK.

With plans to form syndicates of early-stage investors, including funders from outside the UK, RSV-EU sees itself as a future catalyst for the scale-up of available venture capital for the sector. The Fund will also add overseas business development reach for its future portfolio companies via its sister fund, RSV-US, and its established network of operations in North East Asia.

"We are particularly excited to be partnering with a unique investor group that includes three of Scotland's world-class universities to provide the capital needed to realise the full potential of their spin-out companies", said Dunlop.

"The incredible strength of the research base across the UK, and in Scotland in particular, makes it a natural location for us.

"We believe early-stage life science and health technology companies in Scotland and the rest of the UK offer the potential for strong financial returns to our investors," said Kyp Sirinakis, co-manager of the Fund.

"We also believe that what we're now setting in motion will, in time, play an important part in further developing the commercial potential of early-stage life sciences research across the UK."

Kerry Sharp, acting head of the Scottish Investment Bank, said: "The lack of access to capital is having a profound effect on life sciences companies and their ability to grow.

"Scottish companies in particular are having a hard time finding the finance they need. This new fund represents a unique opportunity for us to support the sector in Scotland.

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Further information from: RSV press office: 0203 463 0810

Notes to Editors:

Comment from each of the investment partners follows below:

EIF Chief Executive Richard Pelly said: “The European Investment Fund is pleased to be investing in Rock Spring Ventures, reflecting its commitment to support the commercialisation of grass roots innovation across Europe’s regions through leading research intensive organisations. In March 2012, EIF also invested in the Cancer Research Technology Pioneer Fund, a partnership with Cancer Research UK. These two investments are contributing substantially towards bridging the Technology Transfer and early stage financing gap for Life Science innovation in the UK.”

Contacts for further information from EIF:

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Kerry Sharp, acting head of the Scottish Investment Bank, said: “The lack of access to capital is having a profound effect on life sciences companies and their ability to grow.

“Scottish companies in particular are having a hard time finding the finance they need. This new fund represents a unique opportunity for us to support the sector in Scotland.

“The fact that RSV has chosen to base their operations here shows great confidence in the Scottish life sciences sector and the people and organisations working in it. We’re very pleased to be working with them in helping the sector to grow.”

Contacts for further information from SIB:

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Chair of Strathclyde Pension Fund, Cllr Paul Rooney, said: “Many of our local firms have strong business plans, ideas and investment potential. They need backers that are prepared to take that on and support them. By investing in this sort of fund, we can make sure we are offering what businesses tell us they can’t get elsewhere - and we can help them flourish in a difficult climate. It is good for our universities, good for our members and it is good for jobs and the Glasgow economy.”

Contact for further information from Strathclyde Pension Fund:

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Investment Partner Quotes continued on next page:

Professor Sir Timothy O’Shea, University of Edinburgh Principal, said: “The University of Edinburgh is a world leader in life sciences research and has an international reputation as a launch pad for new technology-based companies. We look forward to working closely with Rock Spring Ventures over the coming years, as well as other venture capital funds, so that more of our excellent life sciences spin-out and start-up companies secure the sort of investment they require to deliver an impact on the international stage. Those companies’ achievements will ensure that more of the University’s life sciences research transfers from the laboratory towards benefiting society and the Scottish economy.”

Contact for further information from University of Edinburgh:

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Professor Steve Beaumont, Vice Principal Research and Enterprise at the University of Glasgow, said: “We’re pleased to be partnering with the Universities of Aberdeen and Edinburgh to support Rock Spring Ventures. Scotland’s life science expertise is admired around the world and we’re confident Rock Spring Ventures will provide cutting-edge bioscience spinouts with the early-stage assistance they need to reach their full potential.”

Contact for further information from University of Glasgow:

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Professor Stephen Logan, Senior Vice-Principal, University of Aberdeen, said: “The University of Aberdeen is delighted to be part of this exciting new partnership. By collaborating in this way, we and our partners have created a significant fund for life science companies, and this combined with experienced venture capital management will have the capability to leverage additional funds to enable fledgling companies to grow. We in Aberdeen view this as a very important and strategic investment of our endowment and returns from commercialisation, which will build further on our excellent track record in life science research and in converting clever, innovative ideas into real benefits for patients.”

Contact for further information from University of Aberdeen:

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About the European Investment Fund: The European Investment Fund's (EIF) central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture and growth capital as well as guarantees instruments which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment. EIF's total net commitments to private equity funds amounted to close EUR 7bn at end 2012. With investments in over 400 funds, EIF is a leading player in European venture due to the scale and the scope of its investments, especially in high-tech and early-stage segments. EIF's outstanding guarantees loan portfolio totalled close to EUR 5bn in over 250 operations at end 2012, positioning it as a major European SME guarantees actor and a leading micro-finance guarantor. <http://www.eif.org/>

About Scottish Enterprise: [Scottish Enterprise](#) is Scotland's main economic development agency and aims to deliver a significant, lasting effect on the Scottish economy. Our role is to help identify and exploit the best opportunities for economic growth. We support ambitious Scottish companies to compete within the global marketplace and help build Scotland's globally competitive sectors. We also work with a range of partners in the public and private sectors to attract new investment to Scotland and to help create a world-class business environment.

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About the Scottish Investment Bank: The [Scottish Investment Bank](#) is a division of Scottish Enterprise operating Scotland-wide in partnership with Highlands and Islands Enterprise. It manages a suite of funds including the Scottish Seed Fund; the Scottish Co-investment Fund; the Scottish Venture Fund; the Scottish Plastics Loan Fund and the Renewable Energy Investment Fund. It is the cornerstone investor in the privately-managed Scottish Loan Fund. These support Scotland's SME funding market to ensure businesses with growth and export potential have adequate access to capital. SIB also provides a team of financial readiness specialists to help companies prepare for new investment and more easily access finance from the private sector. See www.scottish-enterprise.com/sib for more.