



## **Press Release**

### **Luxembourg Future Fund organised its first Annual Networking Event on 18 November 2019**

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On 18 November 2019, the Luxembourg Future Fund SICAV-SIF (LFF) organised its first Annual Networking Event showcasing the developments of the Luxembourg Future Fund and providing an opportunity to connect policy makers, fund managers, innovative Blue Chips, academics, current and future entrepreneurs, incubators and accelerators, and other key actors of the Luxembourg's ecosystem.

The LFF is a EUR 150 million equity fund set up in 2015 by the Société Nationale de Crédit et d'Investissement (SNCI) and the European Investment Fund (EIF) and combines a EUR 120 million commitment from SNCI with EUR 30 million from the EIF, to be deployed over a five-year period. In addition to its role as investor, EIF acts as LFF's adviser, performing investment advisory, operational, reporting and execution tasks.

The LFF invests in Venture Capital funds and co-invests in early and growth stage innovative technology SMEs. Its objective is to provide its investors with a risk commensurate return on investments while at the same time fostering the sustainable development and diversification of the Luxembourgish economy.

The LFF has an umbrella structure with dedicated compartments for venture capital fund investments and co-investments into companies along with investment funds. As of 30 June 2019, the LFF portfolio included a commitment to Paladin European Cyber Fund SCSp-SIF, which is an investment fund active in enterprise IT/cyber-security, communications and mobility sectors. The LFF has also approved a commitment to an investment fund to be established in Luxembourg focusing on early-stage FinTech companies mainly in the EU, whose first closing just took place in early November and therefore will be included in the portfolio. The LFF portfolio also includes the following co-investments alongside the investment funds indicated:

- CrossLend GmbH (with Lakestar II LP fund) in FinTech sector;
- Cyberhedge Europe Sarl (with Paladin European Cyber Fund) in Cyber-Security sector;
- Digital Origin Technology Limited (with Prime Ventures IV CV fund) in FinTech sector;
- LendInvest Limited (with GP Bullhound Fund IV SCSp) in FinTech sector;
- SolarisBank AG (with Lakestar II LP fund) in FinTech sector;
- Spire Global Inc. (with RRE Leaders fund) in Space sector.

Please see the description of these co-investments in the additional information to editors.

The LFF generated a strong investment pace in 2018 supported by several top-ups and follow-on investments year to date in 2019. There is a healthy pipeline of co-investment opportunities, both in the core CyberSecurity, FinTech and Space sectors as well as in a number of other promising ICT verticals, evidencing the development of the Luxembourg innovation ecosystem. On the fund investments side, the pipeline has several attractive funds to be selected based on LFF's market return orientation as well as the spillover criteria (*'the Luxembourg substance'*) that fund managers commit to in return for the investment.

Through its investment activities and the strong support of key actors of the Luxembourg innovation ecosystem, LFF is establishing itself as a catalyst for international start-ups and investment funds willing to establish their presence in the entrepreneur-friendly environment of Luxembourg. The LFF is gaining visibility amongst entrepreneurs and venture capital funds abroad and increases awareness of the strengths and attractiveness of the Luxembourg innovation ecosystem.

Mr. Gramegna, Minister of Finance of Luxembourg, remarks, "As a public initiative, the Luxembourg Future Fund plays an important role in Luxembourg's efforts to further diversify its economy and attract innovative high-tech firms to the country. Through its strategic investments, the Fund brings high-skilled jobs to Luxembourg as well as fund managers with expertise in priority sectors and connects them with the Luxembourg ecosystem. I'm particularly pleased that a significant share of the Fund's investments have been in the Fintech sector, a key area for economic diversification as well as the continuing development of Luxembourg's financial centre."

Mr. Patrick Nickels, Chairperson of the LFF Board, declares, "The Luxembourg Future Fund is very happy to organize today's event to bring Luxembourg's innovation ecosystem players together. We are pleased to provide financial support to innovative high tech companies through fund of fund investments and co-investments while considering *Luxembourg substance* they would bring as well as the financial return potential. The investment portfolio announced today demonstrates that the Luxembourg Future Fund is perfectly aligned with our Government's economic development and diversification policy and continues to contribute to the development of Luxembourg's strategic economic sectors."

Mr. Pier Luigi Gilibert, Chief Executive of the EIF, states, "The EIF is very pleased to support the strategic development of the Luxembourgish VC ecosystem. We are both an investor and an adviser in the Luxembourg Future Fund, leveraging our expertise in the European markets. This is a visionary initiative and we stand committed to work with our partners in order to maximise its success."

#### **About SNCI:**

The Société Nationale de Crédit et d'Investissement (SNCI) is a public-law banking institution specialized in medium and long term financing of Luxembourg based companies. SNCI's financing instruments cover investments in fixed assets, innovations and exports. SNCI also grants start-up/transmission loans to newly incorporated or inherited SMEs. It may also finance investments of Luxembourg companies abroad. SNCI may take equity positions, either directly or through affiliated financing companies. For more information, please visit [www.snci.lu](http://www.snci.lu).

**About EIF:**

The European Investment Fund (EIF) is part of the European Investment Bank Group. Its 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, guarantees and microfinance 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. For more information, please visit [www.eif.org](http://www.eif.org).

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Additional information to editors

CrossLend operates a loan origination and securitization platform that brings together borrowers and investors in the alternative consumer finance/peer-to-peer lending sector. The company is established in Berlin and has an office in Luxembourg. It has announced a strategic partnership with the state savings bank of Luxembourg.

Cyberhedge is a financial services firm specializing in managing technology risk. The company has developed predictive models that provide an accurate calculation of cyber risks' impact on enterprise value. The cloud based service is intended to assess potential cyber risks that affect a company's financial health and shareholder value which helps to translate cyber risk from tech buzzwords into a financial language the board and C-suite speak, enabling businesses to protect their financial data in a low cost and efficient manner. The company has its European headquarters in Luxembourg and created several high-skilled jobs in the country as the R&D activities of the company are based in Luxembourg.

Digital Origin, now called Pagantis, is a financial technology company founded in 2011. Pagantis created a scalable technology platform to provide automated, friction-free consumer finance for e-commerce transactions in Europe. Pagantis allows consumers to pay for goods and services in monthly instalments with a fully automated, paperless process and provides e-commerce merchants with a simple on boarding process to offer consumer credit in conjunction with e-commerce purchases. The company will establish its headquarters in Luxembourg and employ local directors.

LendInvest is an online marketplace for property finance. The marketplace on one side provides property investors and developers with bridging, buy to let and development loans. LendInvest offers loans within as little as two weeks, providing an important competitive advantage vs. traditional lenders. On the other side, it provides investors ranging from individuals through to some of the world's largest institutions with ways to invest in secured property loans. The company will formally designate Luxembourg as its non-UK business hub and create jobs.

SolarisBank is a technology company, founded in 2016, with a banking licence in Germany, offering a digital banking platform to third parties (such as digital service providers and online merchants) enabling them to offer fully digital and fully compliant financial services to their end-customers. The company has concluded a strategic partnership with CrossLend, leading to a number of synergies for both entities.

Spire is a Software as a Service (SaaS) company providing data analytics services with the data collected from space (low-Earth orbit). The company collects data by its global constellation of nanosatellites and offers data products to for instance maritime, weather and aviation customers. The company opened its new European headquarters in Luxembourg, with part of its management established in the country.