



Healthy Ageing Investment Accelerator

Investor Briefing

UK Research
and Innovation

Agenda



- Introduction to IA
- Scope
- Eligibility
- Application Process
- Assessment & Deployment
- Q&A

UK Research
and Innovation

By the end of the briefing you should...



- Understand the **background to the ISCF - Healthy Ageing**
- Understand the **scope and objectives** of the competition
- Understand the **competition process** and criteria
- Understand the **application requirements**
- Be clear on the **timelines & deadlines**

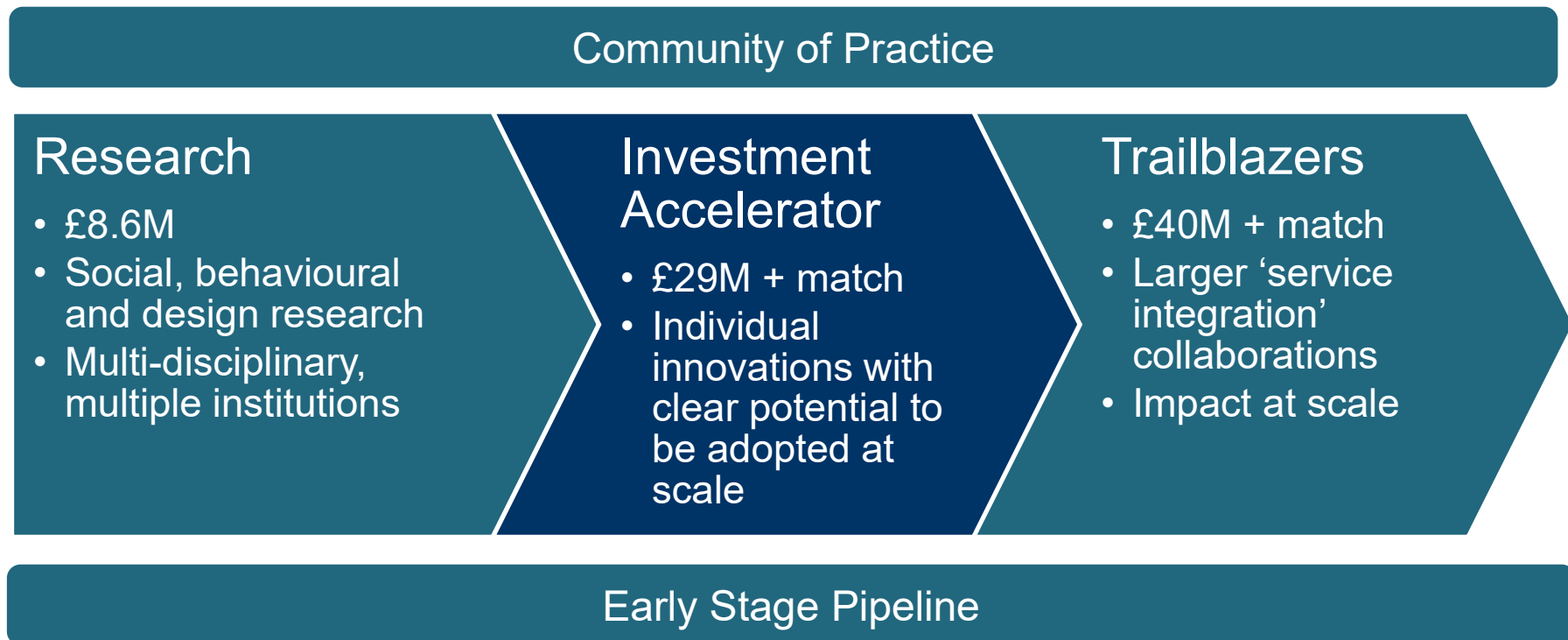
A photograph of a multi-generational family group, including an elderly couple, two young girls, a young boy, and an adult man, all smiling and sitting together. The image is slightly blurred and has a soft, warm tone.

The Healthy Ageing Vision

To enable businesses, including social enterprises, to develop and deliver products, services and business models that will be adopted at scale which support people as they age. This will allow people to remain active, productive, independent and socially connected across generations for as long as possible.



Healthy Ageing Challenge Investments



UK Research
and Innovation



Introduction to the investment accelerator model

UK Research
and Innovation

Investor Partnerships Context



- A business that wins grants and equity has the **two key factors** for success – **a product and a market.**
- A team that has the skill to find, apply for and win **two very different, very competitive investments** is more likely to be a team with a strong advisory panel and full start-up skill set
- The Innovate UK projects most likely to succeed draw together a talented **academic**, top **research infrastructure**, and a **business leader** to solve a problem
- **Analysis** of the Innovate UK portfolio



Average size of equity round

IUK grant and equity investment	£1.79m
All equity investment	£1.62m
Equity investment but no IUK grant	£1.54m

Average pre-money valuation

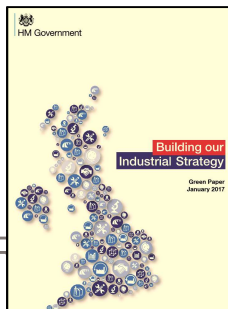
IUK grant and equity investment	£6.72m
All equity investment	£6.63m
Equity investment but no IUK grant	£6.35m

Policy paper

Patient Capital Review

Objectives

The review will strengthen the UK further as a place for growing innovative firms to obtain the long-term 'patient' finance that they need to scale up, building on current best practices.



Closed consultation

Building our Industrial Strategy

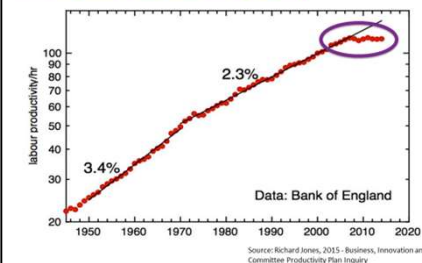
From: [Department for Business, Energy & Industrial Strategy](#)
Part of: [Industrial strategy](#)
Published: 23 January 2017

We are analysing your feedback

Visit this page again soon to download the outcome to this public feedback.



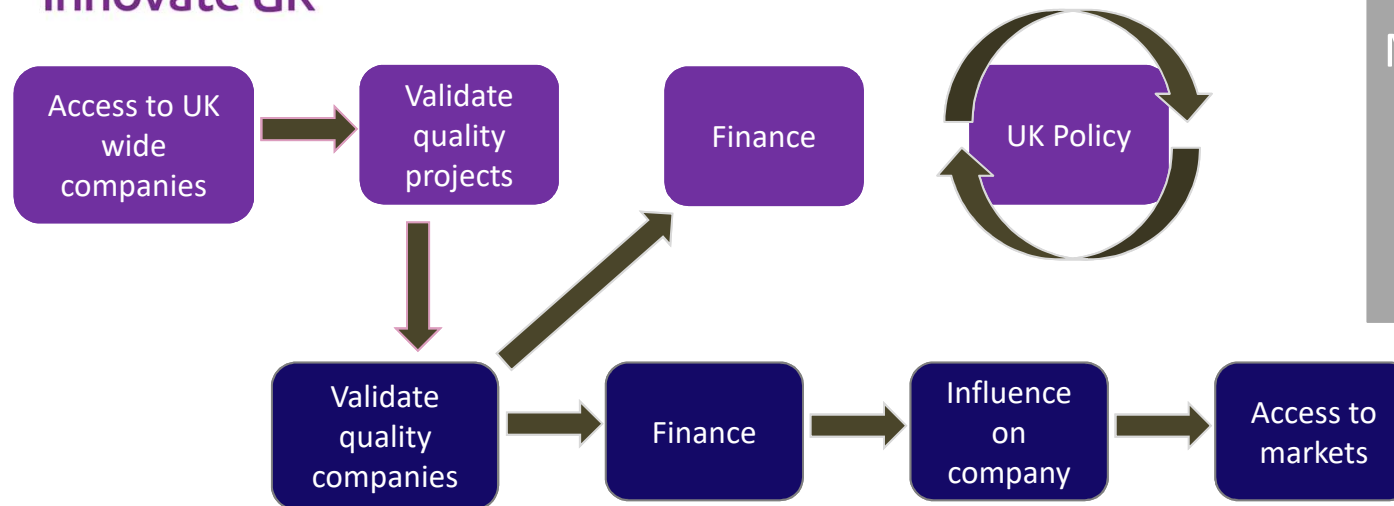
The challenge for the UK economy



The Concept



Innovate UK



Maximise Impact &
Reduce Risk
Through Aligned
Processes

Investor Partner

Portfolio Companies with 3 Key attributes:

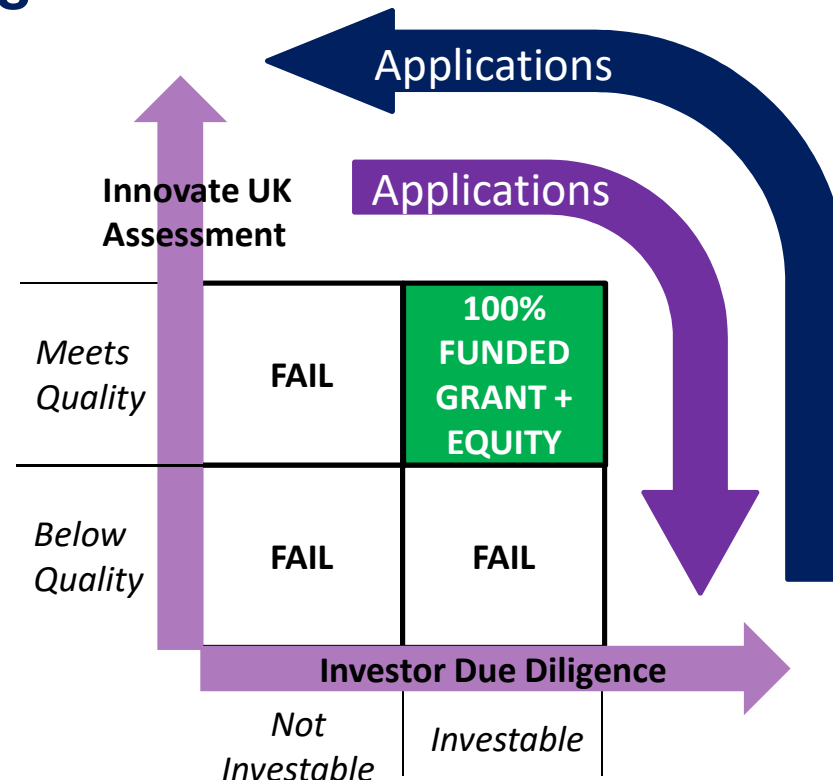
- Strong, commercially exploitable asset
- Good team with aptitude for growth
- Structure to support scalability

UK Research
and Innovation

Core Investment Accelerator Model – Market Driven Outcomes



Innovate UK led:
Working with multiple investors to increase investment capacity & activity in a specific sector



Investor led:
Investor partners using an Innovate UK grant sub-fund to catalyse additional funding within a strategic framework
1:1 Match
3x Follow on

UK Research and Innovation

Building the model: the journey so far



	Programme	Activity	Grant - Leverage	Model
2017 /18	Investment accelerator pilot	Opportunities in health and life sciences and infrastructure systems	£4.3m - £1.9m	IUK led
2018 /19	Precision Medicine	Opportunities in the precision medicine space	£7.1m - £14.6m	IUK led
	Ocean Plastic Solutions: Reducing Plastics Pollution	Working with Sky Ocean Ventures to fund opportunities to reduce plastic pollution	£3m - £11m	IUK led Investor led
	UK Science and Innovation Seed Fund (UKI2S)	Translation and scale of PSRE R&D Activities	£10m - £40m	Investor led
	Regional Angels Investment Accelerator x 3	Working with angel networks in the South West and North East of England to increase capacity in these regions	£3m - £12m	Investor led
	Clean Growth Innovation Fund	Working with Engie New Ventures to increase foreign early stage investment in UK energy companies	£2m – £8m	Investor led
	ISCF Audience of the Future	Opportunities in immersive technology	£2m - ?	IUK led
2018 /19	ISCF Healthy Ageing	Opportunities in healthy ageing technologies	£12m - ?	Investor led
	ISCF Quantum Technologies	Opportunities in quantum technologies	£12m - ?	Investor led



Scope

UK Research
and Innovation

Competition Objectives



- Provide support to help develop and take to market healthy ageing innovations
- Specifically target innovations with clear potential to be adopted at scale
- Encourage investment in innovative healthy ageing technologies outside an investor's risk appetite

Competition Proposals



Your proposal should outline:

- how you will invest alongside grant capital
- how this differs from your normal investment activity - change in risk appetite
- how you will attract the companies seeking investment in the healthy ageing market
- how you will support portfolio companies to take innovation to market and maximise their growth potential
- how you will add value to the businesses over and above the investment made
- how they'll generate measurable social and economic impact
- your strategy for encouraging diversity (age, gender or ethnic diversity) among the applicant companies

UK Research
and Innovation

Competition Structure



- You will need to demonstrate that you can invest at least **4 x the grant allocation fund** into a portfolio of healthy ageing technology companies over a **5 year timeframe (by 2025)**
- At least **1 x the grant allocation** to be deployed at the same time as the grant funding to support companies to carry out healthy ageing R&D projects by 2023
- This total can include the full investment value of a syndicated round, subject to you acting as the lead

Competition Structure cont.



- New deal flow
- SMEs already in your portfolio for a specific project
- SME total project sizes can be £100K - £1.5 million ; Project duration up to 2yrs
- Feasibility and/or Industrial Research as defined by EU

Charges and fees



Charges and fees will be drawn from the grant allocation to cover the following

1. IUK's fees - monitoring officer and assessment charges – invoiced half-yearly in arrears and inclusive of VAT
2. IP's fees – based on a fixed schedule – invoice quarterly in arrears and inclusive of VAT

Based on following assumptions / conditions:

1. Monitoring officer charges: £5,400 for 1 year or £9,000 for 2 years
2. Assessment charges: £600 per assessment
3. IP's fees should be broadly based on fixed additional operational costs incurred in operating the Scheme for the provision of the services which are additional to the IP's standard business activities
4. Fees can be charged up to the deployment date

Competition Scope (SMEs)



SME projects funded must focus on one or more of the following specific themes:

- sustaining physical activity
- maintaining health at work
- designing for age-friendly homes
- managing common complaints of ageing
- living well with cognitive impairment
- supporting social connections
- creating healthy and active places

Out of Scope



Projects that:

- are purely at the technical feasibility or proof of concept stage with the exception being for a single, short milestone that may be required to reach go/no-go decision to rapidly move into product development and/or proof of market studies
- are not carried out by SMEs
- are collaborative R&D projects
- are carried out by SMEs that are not attracting at least the same amount of private investment into the SME
- are not part of a company's plan for business growth
- cannot present evidence that their idea or concept has the potential to lead to significant return on investment, growth and scale-up of the business
- are large capital infrastructure such as new buildings

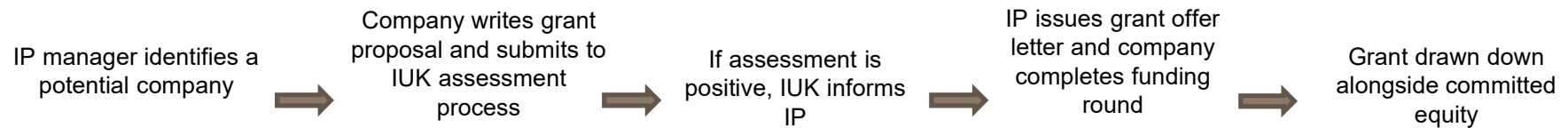
UK Research
and Innovation

Investor Partner eligibility criteria



Eligibility	<ul style="list-style-type: none">✓ Must be an equity investor with a UK office✓ Commit to identifying a portfolio of 'healthy ageing' technology micro, small or medium enterprises and social enterprises you are willing to invest in✓ Demonstrate you have, or can raise on demand, enough capital to equal Innovate UK's grant and provide the additional follow-on funding✓ Able to meet all operational requirements to manage the grant allocation
Grant Allocation	£1m to £6m
Duration	SME projects complete and grant deployed by 2023 Follow on funding committed by 2025

How it works in summary



Post investment

- IUK monitoring officers (MOs) check use of funds and milestones for drawdown
- IP releases grant payments
- IP provides tracking reports to IUK

Open date	19 August 2019
Briefing event	10 September 2019, London
Registration deadline	Midday 30 October 2019
Close date	Midday 6 November 2019
Invitation to interview	22 November 2019
Presentation submitted to Innovate UK	28 November 2019
Planned date for presentations to Investment Advisory Board (IAB) London – venue TBC	9 and 10 December 2019
Applicants notified	13 December 2019
Confirmation of allocation	By 31 March 2020



Q&A

UK Research
and Innovation



Customer Support Services: 0300 321 4357 (Mon-Fri, 9am-5:30pm)

support@innovateuk.ukri.org

Knowledge Transfer Network:

- www.ktn-uk.co.uk

Innovate UK:

- <https://www.gov.uk/government/organisations/innovate-uk>

UK Research
and Innovation