



ÉCOLE POLYTECHNIQUE
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A record for EPFL's start-ups: close to CHF 400 million raised in 2016

Start-ups linked to EPFL raised almost CHF 400 million this year – that's over 50% more than in 2014, the last record year. While some well-established companies raised significant amounts of capital, the number of new companies that completed their first successful funding round also increased.

EPFL start-ups have so far raised a total of CHF 397 million this year, and the number is still rising. That's 50% more than in 2014, when the figure reached CHF 242 million. Spin-offs – companies founded as a result of technology developed in an EPFL lab or created by a campus researcher – saw the largest increase in funding. They raised CHF 261 million this year, compared with CHF 107 million in 2014 and CHF 66 million last year. Funds raised by other companies located in EPFL's Innovation Park totaled CHF 76 million (CHF 57 million in 2014), and AC Immune began trading on Nasdaq, adding a further CHF 60 million.

Mindmaze, which specializes in rehabilitation through virtual reality, raised CHF 100 million, the largest single amount ever achieved by an unlisted company on campus. AC Immune and NEXThink complete the top three. AC Immune, which has developed an Alzheimer vaccine, raised CHF 42.7 million and began trading on Nasdaq (CHF 60 million). NEXThink, a spin-off specialized in company software management, raised CHF 38 million. Seven other start-ups, including G-Therapeutics, Typesafe and Aleva, completed funding rounds for more than CHF 10 million each this year.

More than CHF 100 million a year since 2010

Sixteen smaller companies raised the remaining CHF 37 million, conducting either their first or second funding round. This is a clear sign of the solid health of EPFL's business ecosystem. Among the 15 or so spin-offs created each year, several manage to quickly find investors in order to make their first hires, fine-tune a prototype or start production.

"While total funds didn't surpass CHF 50 million before 2010, they have regularly exceeded CHF 100 million ever since," commented Hervé Leuret, head of the Innogrant fund, which helps EPFL companies to get off the ground. "But who knows whether 2017 will be as flush as 2016." The CHF 397 million brought in during this record year is equal to more than a third of all of the capital raised by companies on campus since the Science Park was created in 1993.

Innovation Park has been expanded, collaborations with laboratories have been made easier, and there is now more assistance available to start-ups, both in terms of financing and coaching. All these factors have helped to create an environment on campus that is conducive to the development of start-ups over the years. No official ranking exists of places that are of interest to investors, but several indicators put the campus and the wider region in a solid position. A study by Atomico, an international technology investment firm headquartered in London, entitled "The State of European Tech", mentioned Lausanne four times, in relation to: EPFL, quality of life, Faceshift (a spin-off bought by Apple) and Mindmaze.

The sharp rise in venture capital across Europe over the last three years seems to have benefited EPFL-

related companies. Half of funded start-ups found some funding in Switzerland, a quarter in Europe and the rest went further afield, to the USA and Asia.

The magnet effect of a major international player

No sector seems to be particularly sought after or spurned by investors looking at EPFL. Thanks to the CHF 100 million invested in Mindmaze, biotech topped the list with CHF 121.05 million, followed by IT (CHF 62.4 million) and medtech (CHF 49.7 million). This is unsurprising, as these are the sectors with the highest number of start-ups. "EPFL's wide diversification will serve it well in the future," according to Lebret.

But what's preventing the region from competing even more closely with major cities in terms of start-up creation? "We need a major international company that would generate a magnet effect," says Lebret. "A place that would bring in top engineers and scientists who then decide to stay in the region and maybe turn around a few years later and create a start-up. These new arrivals attract investors to the region and help reduce the risk of start-ups going offshore when they increase their capital." So far, no funded spin-off has left the region for good, although some of them have also set up offices outside the country.

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