

# Conclusions

## Logical Content Ventures

**INVEU-ICR-0041-2023 – SME and Research, Innovation and Digitisation Windows (SMEW-RIDW)**

### Short description of the financing or investment operation and its objectives

Name of financial intermediary	Logical Content Ventures SAS
Country of implementation	France
Implementing partner	EIF

The operation will support Logical Content Ventures SAS, an alternative investment fund financing content production, focusing in particular on production of smart movies, TV series and impact content.

### Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 6 July 2023 for the above-mentioned operation.

The operation addresses important market failures. Financing in audio-visual sector in Europe, relies heavily on i) public sources of soft money (grants, tax breaks) and ii) contributions from broadcasters typically linked to pre-sales in a certain territory. Equity financing from private investors in European audio-visual sector has been thus limited, in sharp contrast with the American audio-visual sector, dominant worldwide, where equity financing has played a larger role. The Fund will actively address the challenges raised by the changing environment in the production financing. The Fund will provide a complementary offer of instruments that could be flexible adjusting to the production needs. This should help bridging the financing gap in the budgets and accelerate the launch of the production. The Fund will usually retain its pro rata share of the IP rights and/or commercial rights in line with its investment in the project.

The Investment Committee recognised the additionality of the operation. The use of the EU Guarantee allows the EIF to invest, for the first time in a fund supporting audio-visual productions, which otherwise it would not have been able to do, given the lack of alternative sources of capital. The EIF investment is deemed critical in supporting the distinct strategy, given the high novelty of audio-visual funds in general and this one in particular, as it is the first fund raised by the Manager, otherwise well versed in audio-visual. Equally, EIF's anchor role is seen as essential, as it will help catalyse more private investors and ultimately allow the Fund to reach a viable size in a timely manner.