



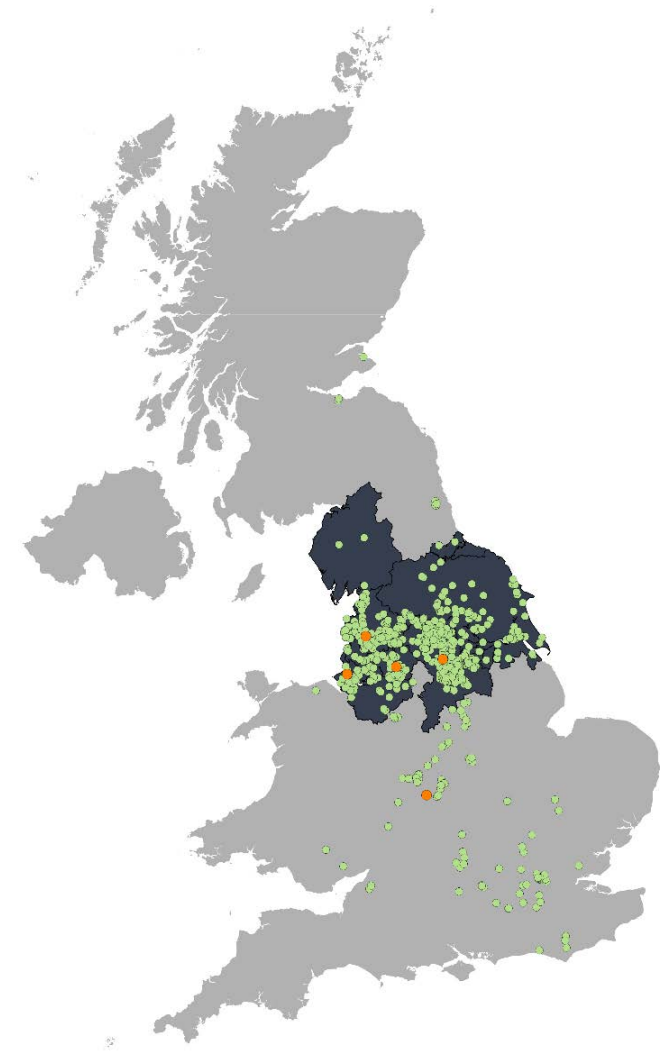
Part of Mercia Technologies PLC

Introduction to Enterprise Ventures Northern Powerhouse Investment Fund (NPIF)

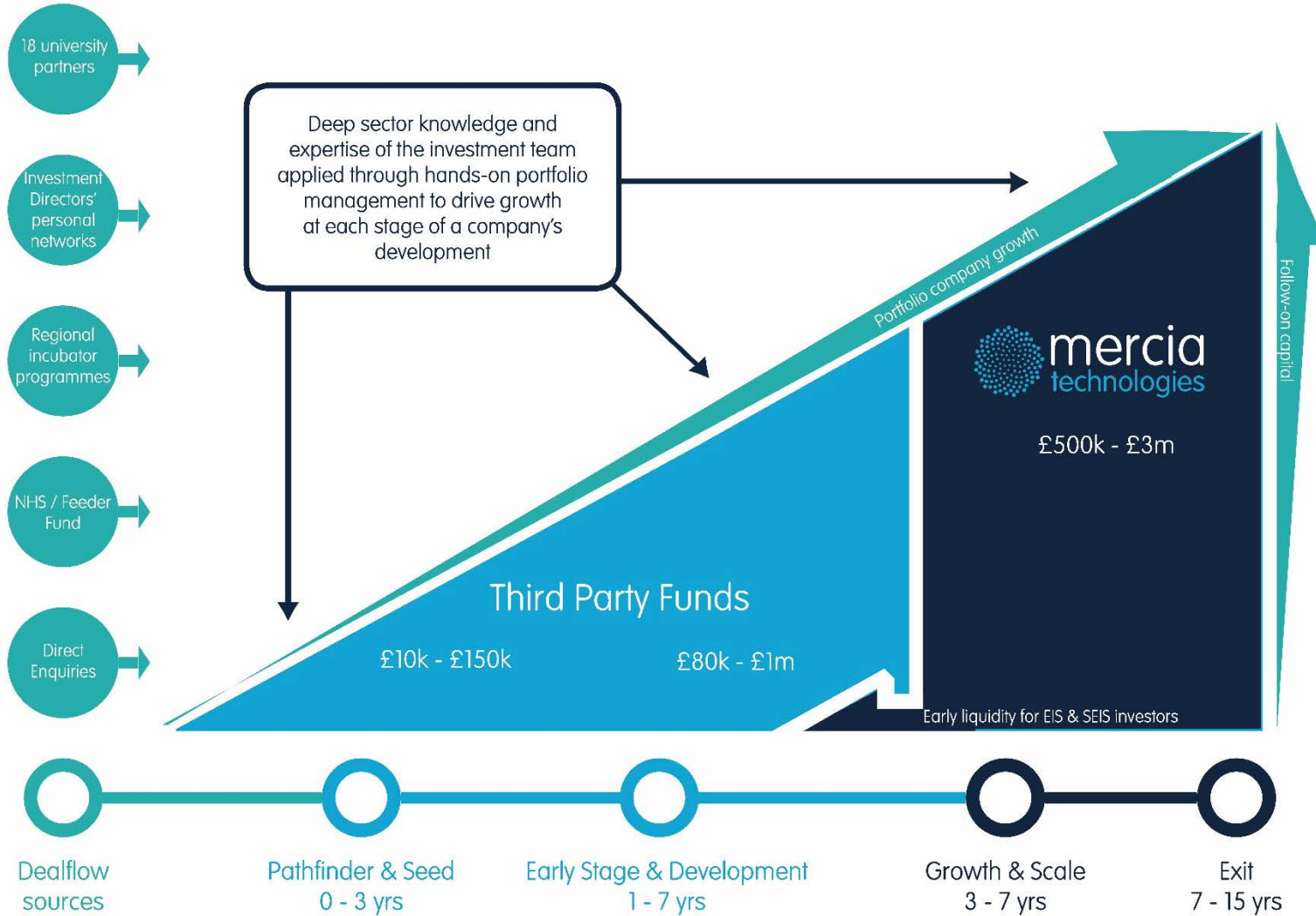
Presentation to Hartlepool Breakfast Event 3rd May 2017



- SME specialist with a northern focus
- Strong 30-year track record
- Part of AIM-listed [Mercia Technologies PLC](#)
- 60+ investment and support staff across the group
- Portfolio of more than 400 SMEs
- Funds we manage
 - Public and private sector funds
 - £300m+ funds under management



Mercia's Complete Capital Solution



Northern Powerhouse Investment Fund (NPIF)

- £400m of funding for SMEs in the NPIF region
- Supported by 10 LEPs, Growth Hubs and intermediaries
- Microfinance (BEF)
 - Small business loans for new or growing businesses to support working capital needs
 - £25,000 - £100,000
- Debt finance (FW)
 - For early stage or more established businesses that can demonstrate growth potential
 - £100,000 - £750,000
- **Equity finance (Enterprise Ventures)**
 - £50,000 - £2million
 - For established businesses with ambitious plans or start-ups with high growth potential
 - Equity, quasi-equity and mezzanine-style debt available
- Very few sector exclusions – property development and agriculture – EIB, ERDF, State Aid restrictions





Part of Mercia Technologies PLC



Equity Finance

Early stage or late stage equity funding from £50k - £2m

C.£58m of Equity Finance for SMEs in Tees Valley Yorkshire & the Humber



Potential deal types

- POC / tech deals -
 - from Universities, entrepreneurs, start-up or early-stage
 - likely to require multiple rounds of finance
- Other start up / early stage deals -
 - Non-tech start ups
 - Management 'break-outs' - backing 2nd time entrepreneurs or those unable to buy current business / division
- Early stage growth / scale-up -
 - funding to get to next level after the first commercial proof points. Revenues £10s - £100s k
- Later stage growth revenues £millions -
 - mezzanine or debt with some equity kickers. Growth capital, can help with shareholder reorganisations

- Sectors
 - Retail – need to consider displacement effects. Investment to build the infrastructure of internet businesses will be ‘probably ok’
 - No pure property development, farming, fishing, nuclear, fibres or investment companies
- Money out
 - Provided less than 50% of NPIF funds included in round and round is less than 5m Euros
 - Likely use for cleaning up shareholder base in a DevCap deal
- 7-year rule
 - NPIF input must be less than 7 years from first commercial sale, or input is for new market entry or new product development and NPIF input is higher than 50% of average revenues of past 5 years
- Material part of business in region

Fund expectations

- To help provide a focal point to regional CF markets
- To leverage significant additional capital into the fund and region
- To work in partnership with regional support providers – LEPS, Growth Hubs & Chambers
- To drive job creation
- To help SMEs in non-financial aspects – 12hrs support targets
 - 220 companies – will need interaction from professional community
 - Will provide Business Development opportunities for community
- Investment Target minimums per LEP region
- To provide a commercial return for the fund

Who are we?



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Plus New Hires

Who have we invested in before?



Proof of concept

Early stage

IP-rich / strong tech focus

High growth potential



OptBiotix[®]
HEALTH PLC
BETTER SCIENCE, BETTER HEALTH

Focused on the development of innovative pre-biotics and pro-biotics for use in food supplement

First investment - 2012

Funding - £520k from FY Seedcorn Fund

AIM listed since July 2014

Proof of concept

Early stage

Non-tech, but
'innovative' focus

High growth potential



Develops, manufactures and markets innovative, eco-friendly building materials

First investment 2012

Funding £809k in stages from FY Seedcorn Fund

Rapid revenue growth to £4m annualised

Exited 2015

Established SMEs

Growth capital

Tech / non tech

Already showing traction

Money out to tidy
shareholder base



Hire model providing re-usable, adjustable, stainless steel brackets that replace timber frames

First investment 2014 with first customers
£1.2m in stages via FY Seedcorn Fund

Established SMEs

May have already received
institutional investment

Tech / non tech

Business is in need of scale-up
capital



Liverpool manufacturer of powder
containment valves, use in pharma sector

First investment 2013 - £1.6m from
NWFM and EVGF

Scale up capital used to fund international
sales and marketing strategy

Loan repaid and equity realised on exit to
LDC in Jan 2017

- Equity
 - Mercia Growth Funds – SEIS and EIS
 - Enterprise Ventures Growth II
 - Mercia Technologies PLC – balance sheet
- Debt / Loans
 - Enterprise Ventures SME Loans
 - Rosebud Finance (Lancashire)
 - NPIF Debt Finance

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Fill in a form

www.evgroup.uk.com