

Appendix 1



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LGF Return on Investment

February 2023

Background

The Business Board purchased equity investments through several organisations:

- Illumina - £3m
- Start Codon - £3m
- MedTech Accelerator - £500k
- Growth Co - £15m
- Prop Co 1 - £12.5m

There were also several Joint Venture Co established:

- Ascendal Accelerator - £965k
- Smart Manufacturing Alliance - £715k

The investments were made in order to create high value employment opportunities within the CPCA Region, the potential for a financial Return of Investment was a deemed to be an added bonus and could enable further recycling of Local Growth Funds.

Start Codon -

fund based with planned exit route at defined time. Current performance shows that initial investment of £2.1m across the fund has resulted in a fund value of £8.3m which is promising, these are early-stage start-ups, so I return is unlikely to be a smooth return



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startcodon 

Semaron raises £2.14m seed funding to commercialise cell assaying platform



Fund Performance of Current Portfolio Carry Value of £8.3m as at 30 September 2022

Unaudited fair value increase at 30 September 2022 £3.4m 41%

Cumulative cash invested in 18 portfolio companies £4.5m (18 x £250k) 54%

Audited fair value increase at 30 March 2022 £0.4m 5%

Performance of 18 Investee Portfolio Companies at 30 September 2022

Number of investee portfolio companies with a valuation uplift from a subsequent funding round x5 28%

Number of investee portfolio companies valued at cost x12 67%

Number of investee portfolio companies written off x1 5%

Spirea Raises £2.4M (\$3M) to Develop Antibody Drug Conjugates in Cancer

- Investment co-led by Jonathan Milner and Cambridge Enterprise
- US-based R42 Group, ACF Investors, o2h Ventures, Syndicate Room and the Cambridge Angels investing
- Funding will enable the development of Spirea's pipeline of antibody drug conjugate therapeutics for the treatment of solid tumours

June 14, 2022 05:03 AM Eastern Daylight Time

SPiREA

SPIREA LIMITED

We have invested in 18 new start ups, all of which have been based in the Cambridge.

We have had 5 companies raise further funding:

- Spirea
- Enhanc3d Genomics
- Cosyne Therapeutics
- Coding Bio

We have created **238 jobs** with the programme projected to continue deliver jobs over the next 3 years

MedTech Accelerator – ‘silent partner’ type equity investment.

NHS based research start-ups, no direct exit unless the product development is taken to market.

Share in profits of potential sales. No clear route for Return of Investment



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- 14 Investments made
 - Safer Injection for Regional Anaesthesia (SAFIRA) device – now available for use in UK hospitals
 - Smart Mesh – a heat activated polymerization system – applied for additional research funding
 - Arterial GlucoSave – awaiting UK launch
 - Endoluminal vacuum therapy device for upper GI leaks – launch expected 2024
 - Soft tissue ablation technology – clinical study starts 2024
 - NeutroCheck – clinical trials start 2023



We have invested in 14 products being developed by the NHS in the Trust area.

We have had 1 product on the market:

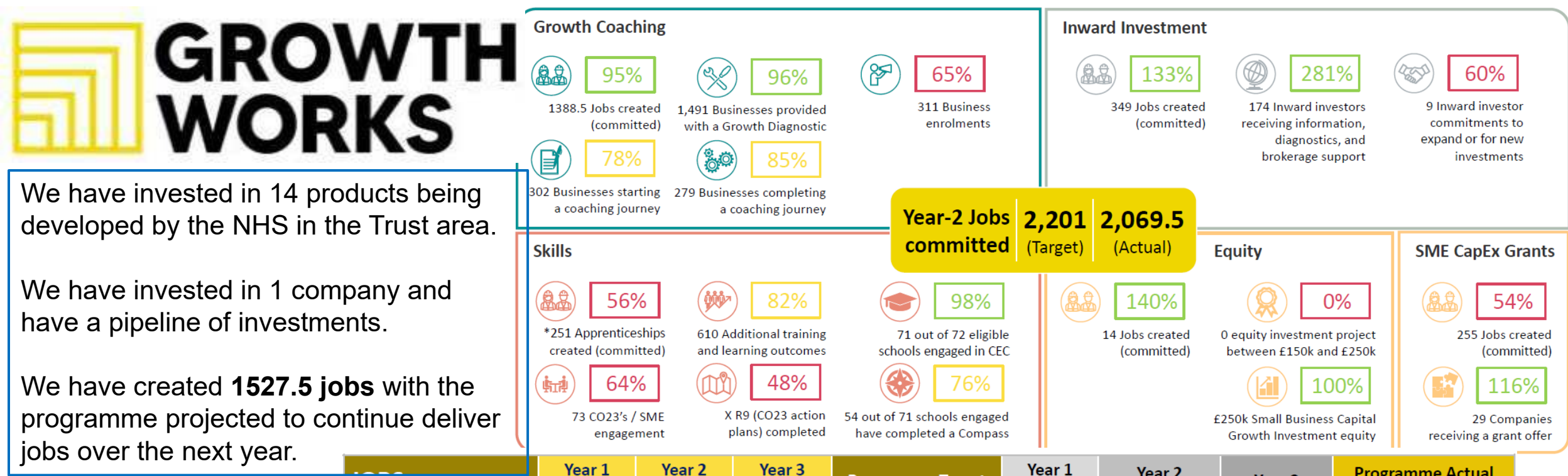
- Safer Injection for Regional Anaesthesia

We have created **9 jobs** with the programme projected to continue deliver jobs over the next 3 years

A joint venture partnership



Growth Co (Business Growth Service) - split between 'working capital' investment with no expectation of return, & capital equity fund. The Capital Equity Fund is made up of investments in small private companies so no clear route to return for reinvestment



Prop Co 1-

long-term investment in growth in Peterborough. Option for ARU-P to buy-out the company from holdings in the two buildings in 2025 (Phase 2 & 3 have a later date for buy-out) so there may be a return for re-investment at this point but it is not certain.



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- £12.5m investment
- Build start Feb 2021 – completed July 2022 (18 months)
- 960 students in the first in take in Sept 2022
- **83 jobs** created to date (not including the construction jobs)

Ascendal Lab -

will be re-paid via three key mechanisms through the joint ownership of the SPV; Profit share on Accelerator profits, sale of share holdings in SME participants and/or additional private investment in the SPV via share buy out schemes. There is no timeframe set for return and no guarantee of any return on investment.



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Driving Change

A new **technology**
mobility accelerator.



UK Government

Cohort 1:

- Tirn Technology running second trial
- Ne-mi running third trial. Ne-mi being supported to set up in UK for Innovate UK funding
- Rensair growth will start when engineering starts
- Successful cohort close-out

Cohort 2:

- All companies signed up for legal agreements
- Cohort 2 going live

We have invested in 5 companies who have been based at the incubator in Sawtry.

We have created **15 jobs** with the programme projected to continue deliver jobs over the next 18 months.

Uber Transit

Secure partner income or sponsorship – discussion for the long-term sustainability of the accelerator are ongoing with Uber Transit



Polysurance analyses driving behaviour from dash cam footage to help fleet managers and insurance providers prevent road accidents and to help them better understand driving risk.

Sternkraft provides Intelligent CCTV for public transportation. It allows their customers to achieve improved fleet performance, passenger safety and satisfaction.

Smart Manufacturing Alliance-

will transition to a sustainable, self-financing model ultimately funded through fee paying members, corporate sponsorship, and chargeable services. The investment is expected to generate £1.75m within 10 years, no guarantee of return.

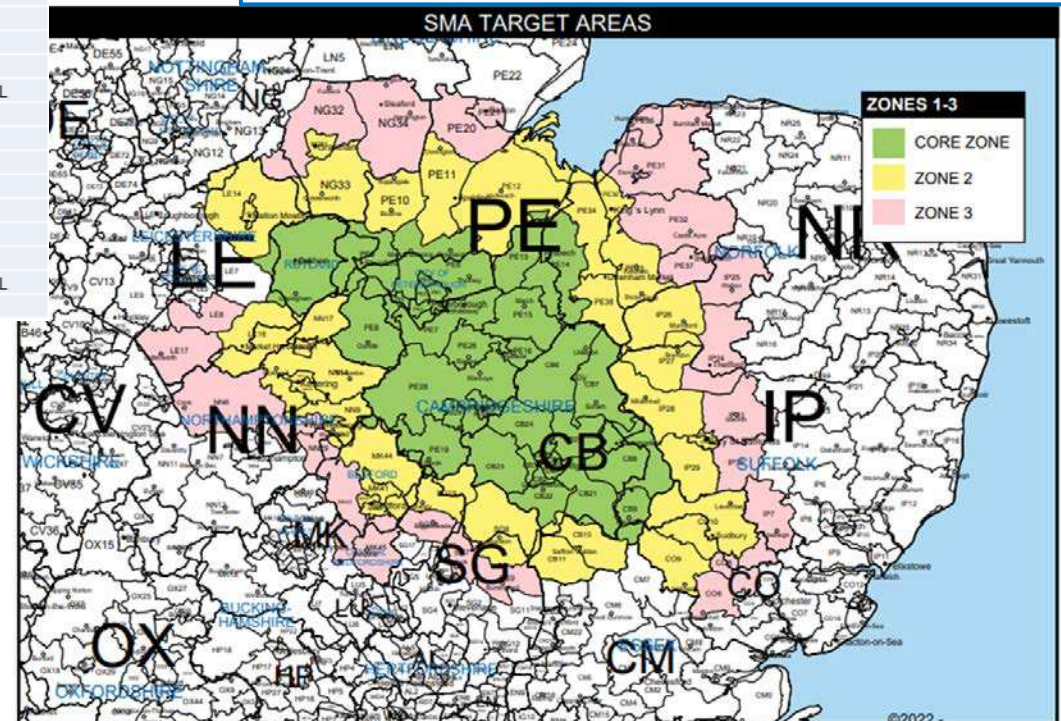


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Smart Manufacturing Alliance KPIs				
KPIs				Dec-22
MEMBERSHIP	TOTAL TO DATE		CURRENT MONTH	
	TARGET	ACTUAL	TARGET	ACTUAL
Individual	18	4	2	0
2-9	25	3	5	0
10-49	34	6	5	0
50 - 249	24	10	2	0
250+	10	2	2	0
TOTAL	111	25	16	0
MEMBERSHIP PIPELINE	DECISION MAKER BUY-IN	REGISTERED	INVOICED	PAID
	YEAR TO DATE TARGET	YEAR TO DATE ACTUAL	YEAR TO DATE TARGET	YEAR TO DATE ACTUAL
	111	111	111	111
	28	28	28	24
SPONSORSHIP	TOTAL TO DATE		CURRENT MONTH	
	TARGET	ACTUAL	TARGET	ACTUAL
Affiliate	0	2	0	2
@ £500	4	4	0	1
@ £3000	0	0	1	0
TOTAL	4	6	1	3
BUSINESS DIAGNOSTICS	TOTAL TO DATE		CURRENT MONTH	
	TARGET	ACTUAL	TARGET	ACTUAL
Days Delivered	25	0	8	0

We have 25 members – all paying subscription fees and receiving various levels of support & training

We have created **6 jobs** with the programme projected to continue deliver jobs over the next 8 years subject to additional funding.



EVENTS SCHEDULE:

- 24 Jan 2023 – Future Leaders – NCTC, Chatteris
- 3 Feb 2023 – CEO Breakfast with PCC and Masteroast Tour
- 8 Mar 2023 - ARU Tour – Academia - Future of Manufacturing / KTP and Feedback
- 22 Mar 2023 - 76 Projects and EF Engineering Tour with Steadfast speaking
- 20 Apr 2023– Investors in the Environment (PECT) Workshop – PWC Cambridge
- 26 Apr 2023 – Blue Dolphin – ‘Is Your Website Losing you Business?’

Conclusion



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£22m worth of investment has created:

- 1,956.5 jobs to date
- 4,500m2 of teaching space
- 1,383 new learners
- 145 grants to businesses
- 1,896 receiving other grant support
- 265 businesses received non-financial support

£1.68m in 2 joint ventures has created:

- 21 jobs to date
- 246m2 of commercial accelerator space
- 7 grants to businesses
- 190 receiving other grant support
- 14 businesses received non-financial support

