

EIS mandates

Examples of opportunities that have crossed our desks

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Benefits to people and society, more productive tools and generally superior products and services manifest over the longer term and it's this which supports our approach and preference when considering qualifying opportunities. Venture capital encourages new economies through investment in intangible assets that are intrinsically difficult to value. This is even more pronounced for capital markets, making the technology and life sciences sectors, with often long-term development timelines times - vulnerable to funding cycles and short-term concerns. Businesses at the very forefront of generational changes need investment leaps of faith often at times when budgets are pressured and investment outlooks are unsupportive.

Together in electric dreams

There's a profound technology skills gap in the UK. Estimates run to 1.2 million people, arguably hampering the UK's ability to compete on the global stage. There are no short-term fixes in times of full employment, but there are still solutions. AIM-traded Northcoders provides intensive training courses, supplemented by mentoring, around its own intellectual property to people online and in person. It plays a critical role in the upskilling and reskilling of Brits, young and old, to meet this challenge. **Northcoders** is careful to keep the numbers of student enrolments at a manageable level to protect the strong reputation of its graduates among blue chip corporates such as aerospace manufacturer Rolls-Royce. The recent acquisition of Tech Returners specialises in senior level professionals re-entering the technology sector, some 60% of returners being women. The progression of artificial intelligence naturally raises an eyebrow to the sustainability of this sector; however, the US Bureau of Labor Statistics predicts the number of software developers, including those in planning, quality assurance, testing and

integration, should rise by a quarter over the next decade. Northcoders raised £2.1 million in November 2022 to accelerate its growth, adding four new training courses to provide a broader service offering and accommodate greater number of applications.

Just one word...plastics... or plant-based polymers?

Famed venture capital investor, the late Tom Perkins, used to say that market risk is inverse to technology risk, and that the goal of early funding is to spend as little as possible eliminating the technology risk.

Once technology risk is eliminated, the market will be there for the taking as competitive moats are wide and conservative investment policies should greatly reduce the chance of the start-up running out of money. **Itaconix**, a specialty polymers company, has developed a patented process to develop a wide range of unique plant-based polymers that offer large consumer brands a replacement to traditional, chemical additives in detergents, cleaners, personal care products and industrial markets. Itaconic acid is an organic compound commonly produced by commercial scale fermentation. Itaconix processes this acid to produce a range of polymers with no petrochemical involvement. Mainstream consumer preferences are shifting toward sustainable plant-based products - but critically regulators are now starting to investigate the longer-term damage of microplastics to the health of people and the environment. Mr McGuire's career advice to Dustin Hoffman in the 1967 movie *The Graduate* - "Just one word: plastics," might still be relevant through Itaconix's sustainable solutions. Itaconix is revenue generating (\$5.6m in 2022) and raised £10.5 million in early 2023 to accelerate development of new products and

applications and continue investing in continuous process improvements.

Speed, retrofitted

Incubating clean energy champions is a strategic objective for governments to meet net zero policies and commitments to the global decarbonisation movement. Emerging technologies in electric vehicles have largely focused on the passenger car, principally the batteries that limit the all-important range. However, electric propulsion engineer **Equipmake** focuses on the design and manufacture of electric powertrains for new and retrofitted buses, rounding off 10 years of research and development with a new focus on commercialisation. Just like

Perkins counselled: crack the technology and then your product should sell itself.

Market dynamics are in Equipmake's favour, 3 million diesel buses globally need to become zero-emission in a very short space of time if the world is to meet its targets. Demand exceeds infrastructure capacity and there's a need for cost-effective production - something that Equipmake offers. Equipmake has received orders for repowering First Bus Optare and First Group with a launch of a fully Electric London Routemasters while entering international markets in South America and Indonesia. The company raised £10m alongside an IPO on the Aquis Access Growth Market in July 2022, followed by a further £6.2m in February 2023, for expansion and R&D.

Ivan Teare

Head of Specialist
Tax Portfolio Service



The Specialist Tax Portfolio Service team
Telephone: 0151 236 6666

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