

Why Investment Matters – A Scotland Perspective



#SCOTLANDISNOW



Strategic Context



Delivering
Economic
Prosperity

March 2022

Scottish Government
Riaghaltas na h-Alba
gov.scot



Scottish Government
Riaghaltas na h-Alba

Scotland's National Innovation Strategy



The Entrepreneurial Campus

Ross Tuffee and
Professor Joe Little

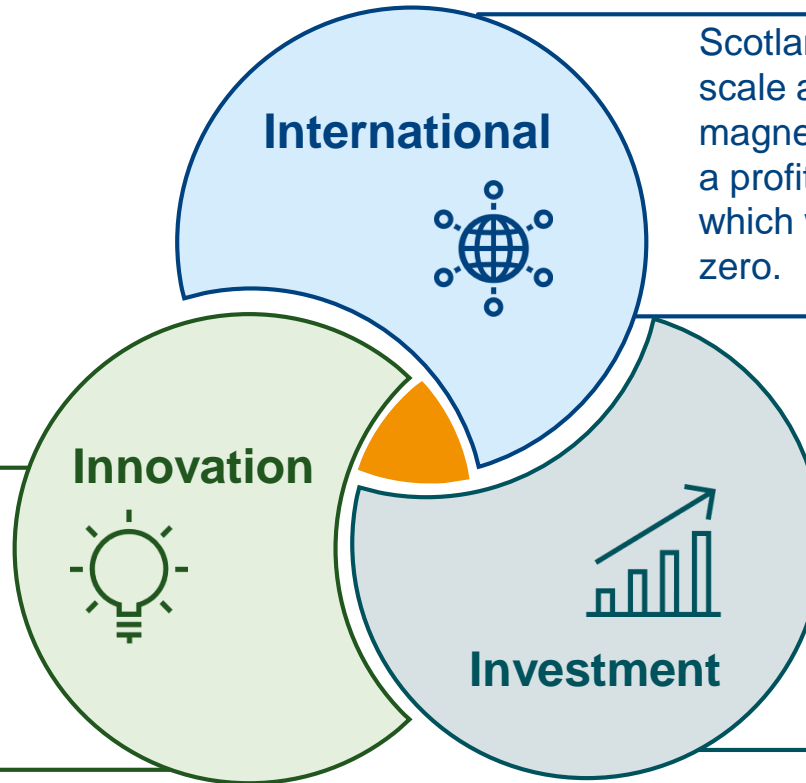
2023

THE HIGHER EDUCATION SECTOR
AS A DRIVING FORCE FOR THE
ENTREPRENEURIAL ECOSYSTEM

Scottish Enterprise

We help businesses **innovate** and **scale** to transform the economy.

Improving Scotland's innovation performance and reputation, working with partners on an integrated approach to delivery, built around new market opportunities and the creation of innovation hubs across Scotland.



Scotland becoming a location of choice to start, scale and internationalise a business, to be a magnet for talent and inward investment. and to be a profitable place to invest capital in opportunities which will accelerate Scotland's transition to net zero.

Increasing the number of businesses, entrepreneurs and early-stage companies in Scotland that can grow to scale and have a significant positive impact on the economy.

Underpinned by our commitment to **net zero, fair work and addressing diversity & inclusion.**

Scale ups are **diverse** - 39% of all scale ups have at least one female director



Raise higher levels of **investment** to support growth

Create more and higher quality jobs - account for 84% of all new jobs created

Have a **global mindset** with 60% trading internationally



Equate to **1% of business** yet **generate £1 trillion** to UK economy



Why Scotland wants more scale-ups in its economy

Employees tend to be **higher skilled, happier and more diverse**



Invest more in **R&D and innovation**

Disrupt traditional industries bringing new products, services & technologies to market – supporting **people and plant**

More productive – an average turnover of £340k per employee

Scale ups **pay more on average**, attracting and retaining talent

Entrepreneurship & Investment



Build and develop strong, supportive **relationships** with entrepreneurs, founding teams and leadership teams of high growth start-ups and early-stage scale ups throughout their growth journey – working in **partnership** with the eco-system across Scotland



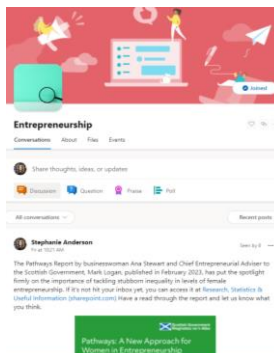
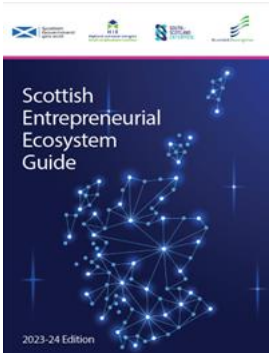
Provide **specialist** high growth spinout, start up and scale up **advice, funding and investment** to help companies validate business models, develop strategic scale up plans, investor ready propositions and raise appropriate growth investment



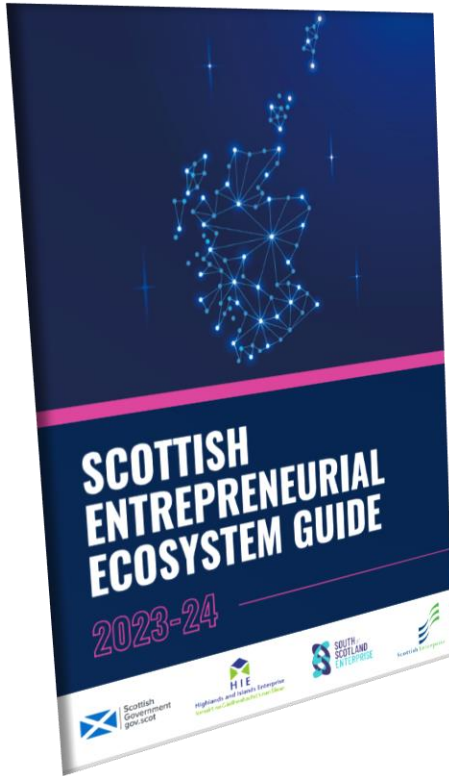
Be a source of **knowledge** – connecting entrepreneurs to relevant public and private sector support, developing peer **networks, collaborations** and making **connections** within Scotland, UK and internationally across the entrepreneurial and investment ecosystems



High Growth Entrepreneurship



Scotland's Accelerators & Incubators



Royal Bank Entrepreneur Accelerator

ACCELERATORS

An Accelerator is an entity that provides entrepreneurial training, mentoring and business support through a time bound, cohort based learning programme with an emphasis on rapid growth and successful seed funding.

Accelerators can be physical spaces or virtual. Selection onto accelerator programmes is often highly competitive. A business accelerator programme will be of fixed duration and typically lasts between 3-6 months.

Accelerator programmes can offer use of office space, initial investment, training, access to networks, experienced mentors and often exposure and introductions to angel investor networks or potential funders. Typically, fees (if there are any) are growth based with payment via equity but this varies between individual accelerator programmes.

— The RBS Accelerator Programme

- Elevator Glasgow Creative Accelerator
- Elevator Lanarkshire Accelerator
- Elevator Perth Company Creation Accelerator
- Elevator Perth Food & Drink/Tourism/Creative Accelerator
- Firstport LaunchMe
- Geovation Scotland Accelerator
- Green Matters
- IMWACT30 Accelerator
- MediCity Glasgow
- Pathfinder Accelerator
- RGU Start Up Accelerator Programme
- Rising Stars Accelerator Programme
- RBS Entrepreneur Accelerator
- SEED (Student Enterprise Enhanced Development) Scheme

RGU Start Up Accelerator Programme

The RGU Start Up Accelerator Programme is a six-month, mentor-driven entrepreneurial development opportunity where students, staff and alumni of Robert Gordon University and North East Scotland College can turn an idea into a viable business. Supported by the Wood Foundation, up to thirty teams a year will be selected and will receive £10,000 of seed funding, incubation space, access to mentors and training and development. During the period of the programme ambitious, high-growth entrepreneurial teams will undertake customer research, develop their business models, connect with support and mentors and take practical steps to launch their business. The programme is run by the Innovation@RGU team, and sessions will take place in evenings and weekends to allow the cohort to manage work and study commitments. The programme seeks passionate and skilled individuals with a drive for entrepreneurship and a creative mind to solve solutions to society's problems.

- Robert Gordon University, Garthdee Road, Aberdeen, AB10 7GJ
- 01224 262 921
- www.rgu.ac.uk/accelerator
- @innovationrgu



Rising Stars Accelerator Programme

The SEN Rising Stars Programme is a tailored accelerator programme for endorsed early-stage businesses emerging from the Strathclyde community. Accepted Rising Stars have access to the following benefits over a 6-month cohort period:

- Dedicated cohort co-working space
- Bespoke development plan with priority support from the Start-Up Manager
- Programme of entrepreneurial events including seminars, workshops, clinics, peer problem sharing / solving sessions and networking opportunities exclusive to Rising Stars
- Preferential access to all Entrepreneurship Hub and SEN support services
- Opportunity for early stage funding

- University of Strathclyde, Glasgow, G1 4QA
- 0141 548 2775
- www.strath.ac.uk/info/strathclyde/strathclydeenpreneurialnetwork
- @SENStrathclyde



INCUBATORS

An Incubator is a physical or virtual space that provides entrepreneurial training, mentoring and business support.

Business Incubators typically support start-ups or early stage companies by accelerating growth and success through an array of business support resources and services, including office space and technical facilities.

A company's stay within an incubator is normally fee based but with open ended duration.

Companies typically spend an average of two years in a business incubator being offered peer support, advice and expertise in developing business and marketing plans and often early financial support before moving on to an accelerator or to their own company premises.

- Dundee University Incubator
- Edinburgh BioQuarter
- Edinburgh Business School Incubator, Heriot-Watt University
- European Centre for Marine Biotechnology Incubator
- Fraserburgh Enterprise Hub
- Glasgow Clyde Incubator
- Good Ideas at The Melting Pot
- Higgs Centre for Innovation
- The Hive
- iCube Renfrewshire
- Launch IT Dundee
- NEXUS Life Sciences and Technology Incubator
- ONE CodeBase Aberdeen
- QMU Business Innovation Zone
- RGU Startup Station

- AllVenture Zone at the University of Aberdeen
- Abertay University - Bell Street Ventures
- The Bayes Centre - Membership and Partnership Programme
- BioCity Glasgow
- CodeBase Edinburgh
- CodeBase Stirling

Royal Bank of Scotland Entrepreneur Accelerator

For over five years, the Royal Bank Entrepreneur Accelerator has been working hard to support Britain's start-ups by running one of the largest entrepreneurship programmes of its kind in the UK. Our flagship accelerator programme supports high-growth potential businesses with ambitions to grow and scale, in 12 hubs in bank premises across the UK, including Edinburgh and Glasgow. The programme offers fully funded office space, WiFi and IT, alongside 1:1 leadership and strategy coaching, workshops, speaker events and partnership of our full network and ecosystem. Our comprehensive programme is specifically designed to meet the needs of entrepreneurs who want to grow and scale their business. The programme provides entrepreneurs with full care, connectivity and know-how that aims to help them make the most of their potential, as well as access to our key partnerships with Dell, Plesient Masons, FreeAgent, Dataloia, Hiscox and Equifax. In November 2019 the programme was formally endorsed by the Scale Up Institute, a not-for-profit organisation which aims to make the UK the best place in the world for SMEs to scale up. We also offer our Next Level proposition, to support those businesses identified by invitation from the Accelerator who are ready to scale, with bespoke leader and team coaching, networking events and our Kaia mentor matching digital platform. For more information, contact janica.cuningham@rbs.co.uk or stuart.dearden@rbs.co.uk based in Glasgow and Edinburgh respectively, covering all of Scotland.

- www.business.rbs.co.uk/business-services/entrepreneur-accelerator.html
- @RBSBusiness



SEED (Student Enterprise Enhanced Development) Scheme

The SEED (Student Enterprise Enhanced Development) Scheme is an accelerator programme based at the University of Stirling, which offers comprehensive support to a cohort of student and graduate entrepreneurs to develop, launch and grow viable and innovative start-ups. Running over the course of a seven-month period, SEED consists of one-to-one mentorship, individual professional advisory services, as well as a range of skill-building workshops, informative masterclasses, and more.

- Innovation & Enterprise, Research & Innovation Services, Suite 5-15, Scion House, Stirling University Innovation Park, Stirling, FK9 4NF
- 01786 460 846
- www.stir.ac.uk
- @SEENstirling



THE SCOTTISH ENTREPRENEURIAL ECOSYSTEM



Early-Stage Company Engagement

We work with individual **business leaders** and their **leadership teams** to **develop growth businesses** that will have an impact in Scotland and on the Scottish economy



High Growth Spin Outs

High growth potential spinout projects that will commercialise leading-edge technologies emerging from Scotland's universities, research institutes and NHS Boards.



High Growth Start Ups

Start up companies with the potential to scale to £5M+ sales and/or likely to require significant external investment to accelerate this journey.



High Growth Scale Ups

Innovative, ambitious and fast-growing companies (20%+ pa) looking to achieve £5M-£10M+ turnover within 7 years with ambition to scale further.

Specialist Support



SMAS



DIGITAL
TRANSFORMATION



SUSTAINABILITY
- NET ZERO



INNOVATION



INTELLECTUAL
PROPERTY



WORKPLACE INNOVATION
AND FAIR WORK



CO-OPERATIVE
DEVELOPMENT
SCOTLAND



ENQUIRIES AND
RESEARCH (EFRS)



TRADE



Financial Readiness



INNOVATION
COLLABORATION AND
FUNDING



BUSINESS
RESPONSE TEAM



Investment Funds



Scottish Co-Investment Fund (SCF)

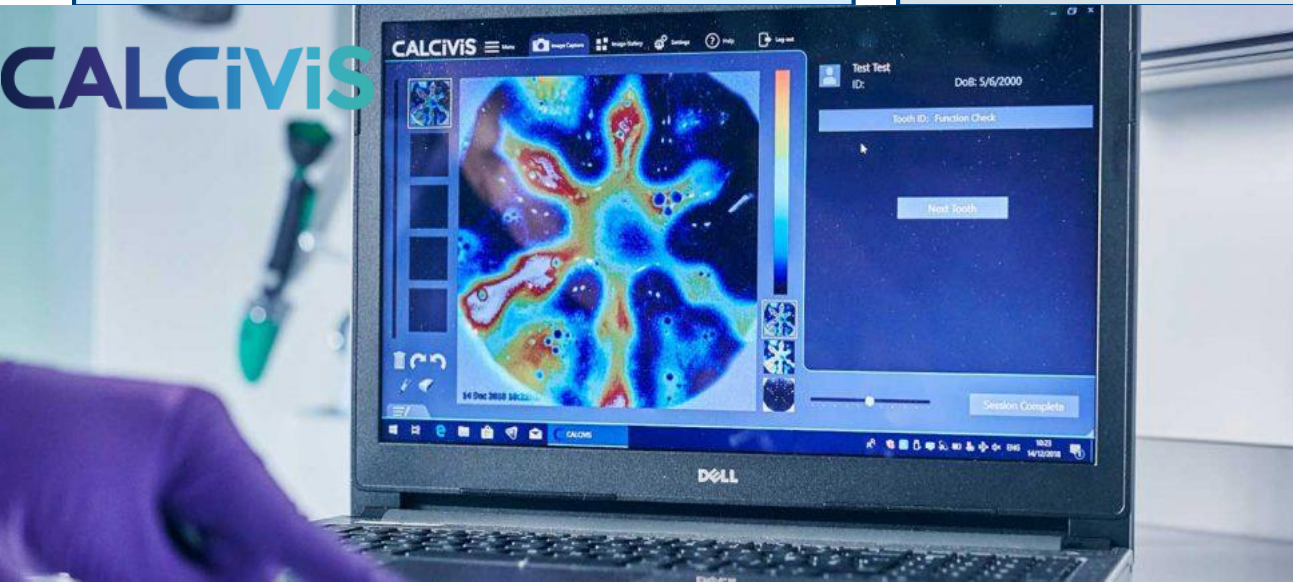
- Invest up to £2m
- Co-invest alongside 'Accredited Partners'
- Invests in high growth start-up and early-stage companies
- Accredited Partners source, diligence and negotiate deals

Scottish Venture Fund (SVF)

- Invest up to £2m pa
- Co-Invest alongside a range of private co-investors
- Invests high growth in start-up and early-stage companies
- Investor led, but SE involved in deal process

Scottish Loan Scheme (SLS)

- Loan funding up to 2m to growth focused companies
- Companies require 2 years' trading history, £250k + turnover and be profitable (or projecting profitability within the next 12 months)
- Must be able to demonstrate the loan can be repaid



Key Impact Data 2003-2022



Investing across **key sectors** to support Scotland's early-stage, high growth companies

Investing with **100's** of investors – local, national, international

Over **330** companies in our investment portfolio, valued at **£478m**, turnover **£667m**, supporting **c7,300** high value jobs

Supporting over **590** companies across Scotland alongside the private sector since 2003.

Generating over **£471m** of income from our early-stage investment activities.

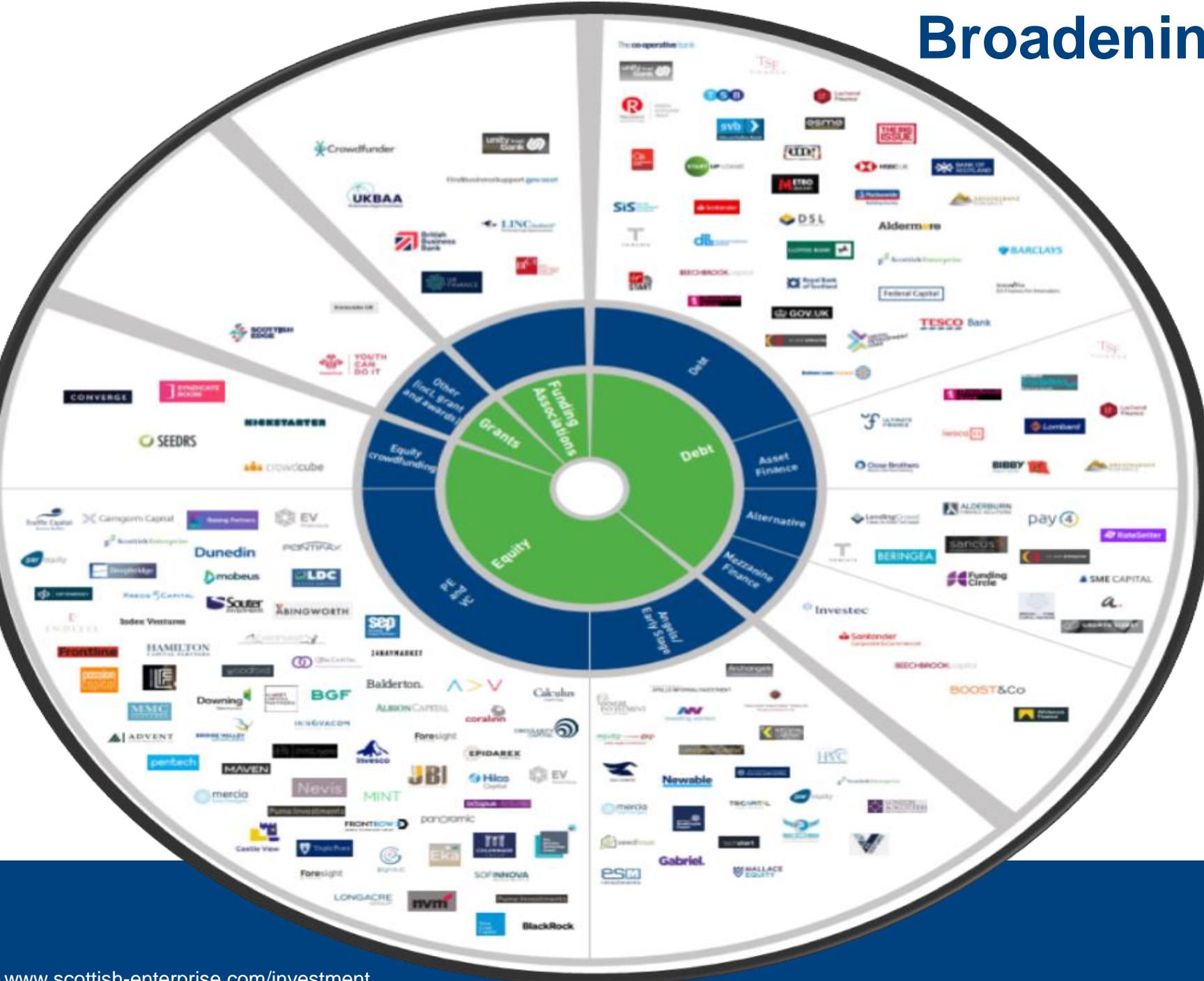
Investing over **£869m** into early-stage innovative Scottish SMEs, unlocking over **£2.3 bn** of private sector co-investment

An established network of Scottish Co-investment Fund **Partners**

Evaluation evidence & analysis estimates GVA delivered & forecast across investment activity of be **£6.6bn**



Broadening the Investor Base



Scotland evidences diverse investors, across all stages.

In 2022, Scotland's VC deal participation was the next highest after the Golden Triangle (measured by total deal value where VCs participated £428m) – VC investment is mobile and can be 'single shot'.

Scotland has the largest concentration of angel groups outside of London – angel investment is generally local and long term.

Continued focus on attracting international investment critical.

Investor Relations

Applications now open for the

SLUSH

2022 Foras Programme Cohort
Helsinki, Finland
12 - 20 November 2022

foras
programmes

Immersive international experiences & entrepreneurial ecosystem development for Scotland

powered by

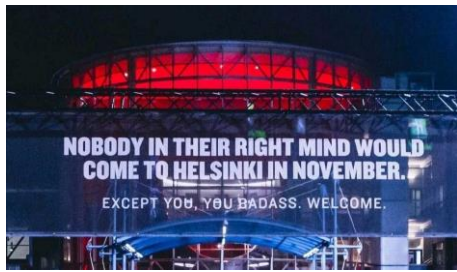
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SCOTTISH
DEVELOPMENT INTERNATIONAL



SCOTLAND
HOUSE
LONDON

CONVERGE

The big news is here!
Meet the Converge finalists of 2022



SCOTTISH
DEVELOPMENT INTERNATIONAL

VC FIRESIDE CHAT

ONLINE EVENT
19 MAY
11.00 - 11.30

ISABEL FOX
OUTSIZED VENTURES

ELITSA MARINOVA
SCOTTISH DEVELOPMENT
INTERNATIONAL

CLIMATE
WEEK
NYC

CLIMATE GROUP



web summit

The largest tech conference in the world

Inc.

November 1-4, 2022
Lisbon, Portugal

startupgrind
SCOTLAND

SILICON VALLEY PROGRAMME

YOUR CHANCE TO JOIN A FUNDED TRIP
TO SILICON VALLEY & THE STARTUP
GRIND GLOBAL CONFERENCE

9 - 15 APRIL 2022

APPLY NOW!

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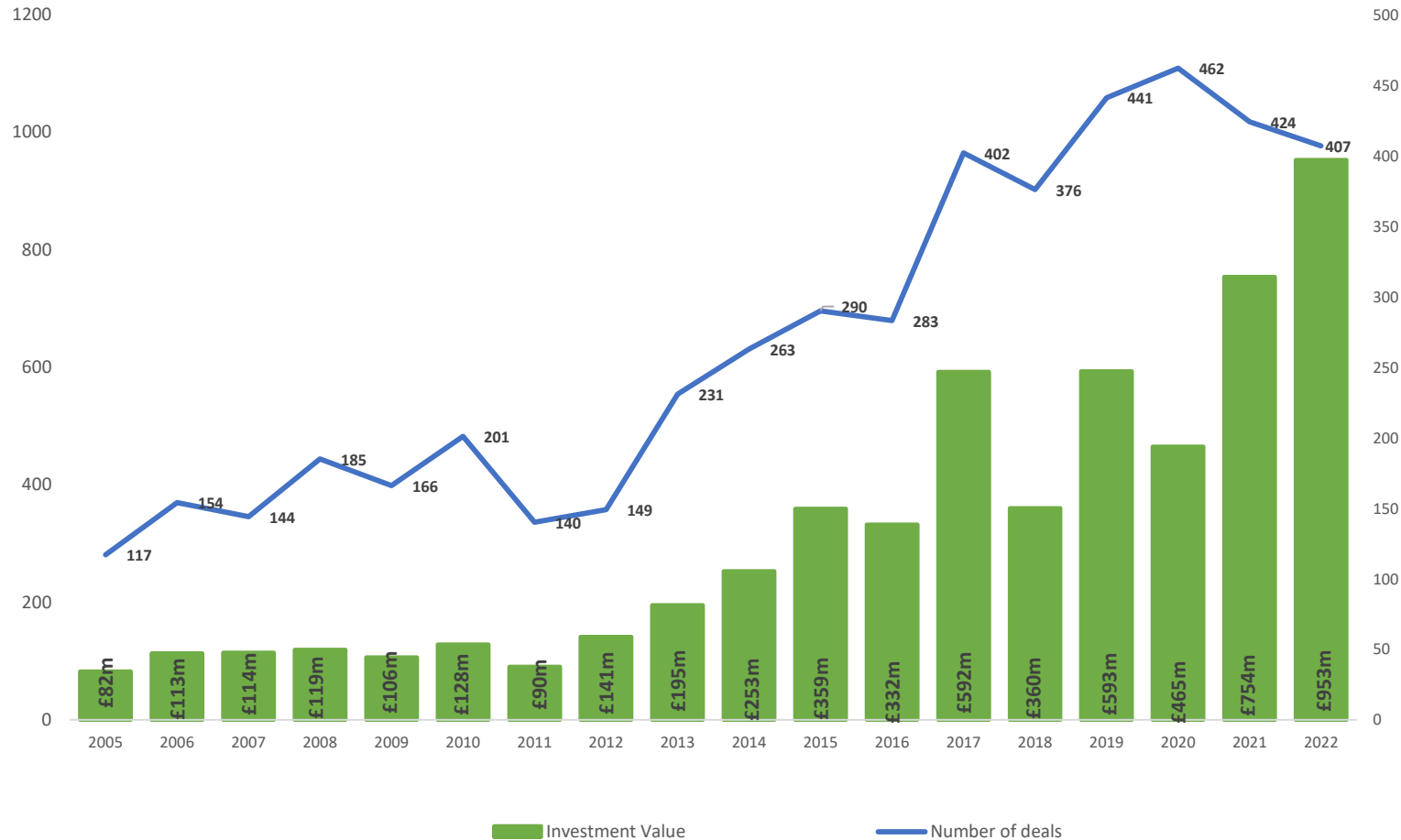




CLIMATE.VC



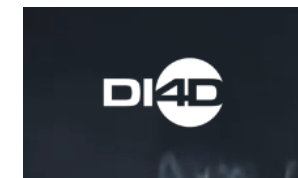
Risk Capital Market Trends 2005 – 2022



- Market showing sustained growth with **11-fold increase** between 2005 and 2022
- Evaluation evidence shows SE Equity Co-Investment **underpinning** growth
- Increasing private investor participation (and **mix of investor types**)
- **Sustained Growth** in the underlying market (deals below £10m) demonstrates increased resilience
- Company **progression** evident - £10m+ deals plus now a consistent feature of market & £50m+ deals now seen in the market
- Progress but **systemic challenges** persist exacerbated by economic conditions



HORIZON PROTEINS





Who We Are – Leadership Team



Kerry Sharp

Director

Entrepreneurship
& Investment



Michelle Howell

Head of
Investment

Strategic Investment

**Development & Market
Intelligence**

**Strategic Development &
Implementation**



Michelle Kinnaird

Head
of Investment

Reporting

Equity Transactions

Financial Readiness

Debt



Paul Funnell

Head of
Investment

Equity Portfolio

**Compliance & Risk
Management**



Leah Pape

Head of High
Growth Services

**High Growth Company
Creation**

**High Growth Company
Support**

**High Growth
Entrepreneurship**

Contact Information

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