

PwC Raise | Ventures

Access to finance

October 2021



Introduction



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PwC Raise | Ventures - Growth Lead



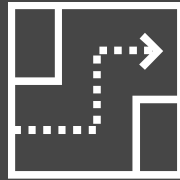
Who are PwC Raise | Ventures?



Our experience to date



20+ deals, raising
£100m+ in the last 18
months



London & Berlin,
13 cohorts to date



Programmes run every
quarter



20+ countries
represented



400+ institutional
investors



1,000+ warm intros



£10m average growth
raise / £3m average
programme raise



100+ term sheets

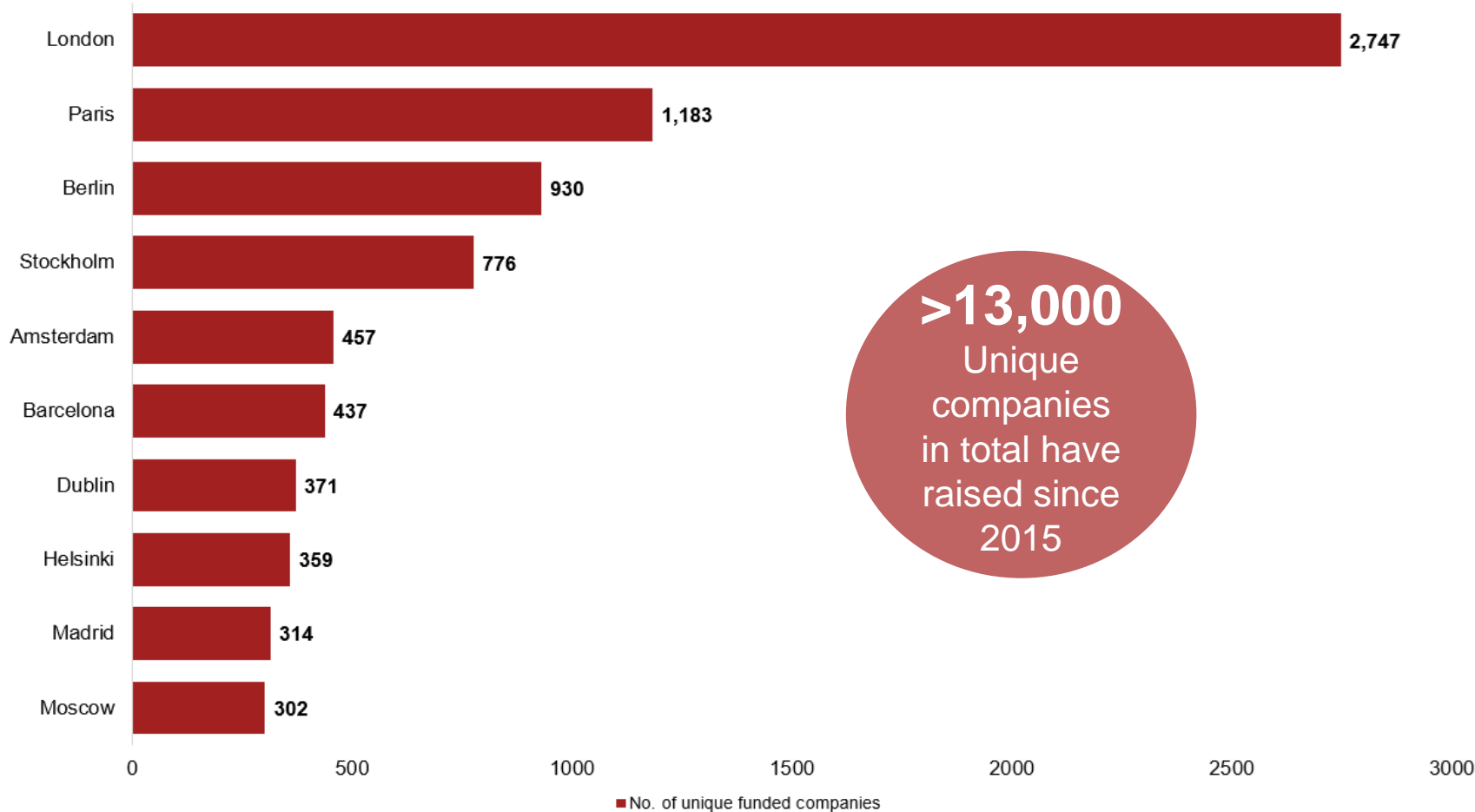


FCA regulated

What's happening in the
Venture ecosystem – and what
does it mean for healthtech?

London is leading the way in the European tech venture scene

Top 10 cities by deal volume since 2015



>13,000
Unique
companies
in total have
raised since
2015

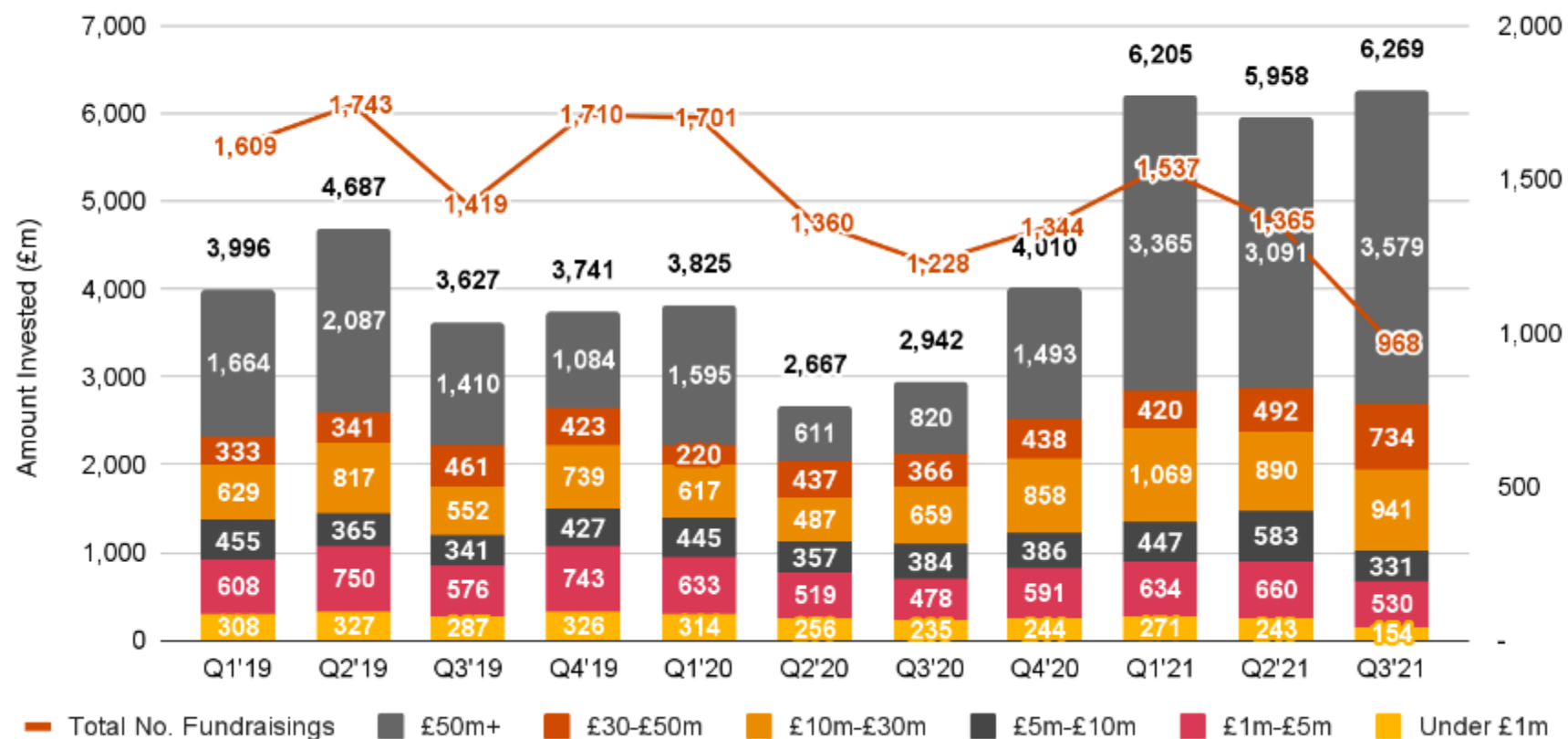
**Cumulative capital investment
since 2015 >\$10bn in 3
European Countries**



Source: Dealroom

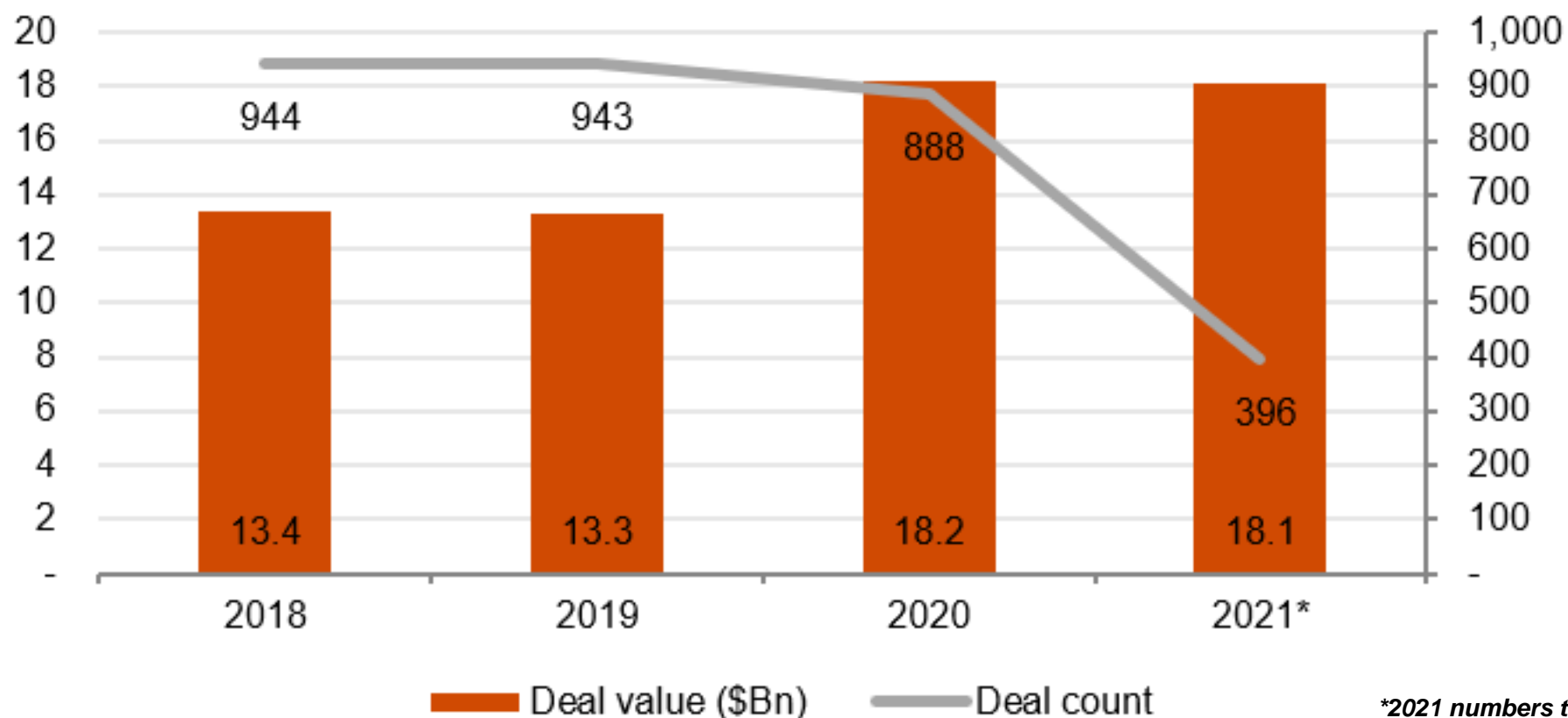
There has been significant growth in the UK venture space over the past few years, with Q3'21 the biggest investment quarter on record

Total UK equity fundraisings



Growth in venture investment has been mirrored in healthtech, with H1'21 investment almost equalling 2020's record investment

Healthtech VC Deal Activity (\$bn)



*2021 numbers to June 30 2021
Source: Pitchbook
Global funding

What type of funding can I
access?

VC



- Return profile min 7-10x+++
- Likely to have a specific thesis
- Disrupting large markets
- Invest in impressive and proven management teams

Family office



- Return profile varies from family to family
- Can be very patient capital
- Often like to invest in things they understand and can add value - think about how they made their money

Corporate Venture Capital



- Motivation is often strategic
- Think about how they can add value - and you can add value to them

VCT / EIS Funds



- Return profile 3-5x (due to tax relief); typically want downside protection
- 3/5 year hold for tax relief
- Often have a financial background - very metrics driven
- Focused on a route to profitability

Grant Funding



- Non-dilutive funding, normally given for a particular strategic reason by group or government initiative
- Can come in the form of a full grant or a low interest loan
- Often only funds part of a project

VCT / EIS funds

VCT

Since launch, more than £8bn has been invested through the scheme*

Popular tax efficient investments for those that have been 'pension squeezed' (i.e. maxed out their contribution limits) or are in upper rate tax brackets.

EIS (+SEIS)

Since launch, almost 33,000 companies have received investment totalling c.£24bn through the scheme*

**as at March'2021*

What are EIS / VCT funds?

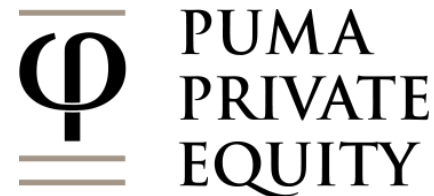
What is EIS?

- *An unquoted trading company can raise up to £5m in any 12-month period from the Venture Capital Schemes by offering tax relief for those subscribing for new shares or securities*
- *Shares issued under EIS must be ordinary*
- *Non-redeemable shares, with no preferential rights to assets in a winding up and limitations on preferential rights to income (i.e. risk of loss)*
- *Company applies*

What is a VCT?

- *Investment company whose shares are listed on a European regulated market*
- *It is required to invest in and maintain a portfolio of qualifying trading companies*
- *Receive tax breaks to facilitate investment in the UK*
- *The most active Series A investors in the UK*
- *Investor applies*

A sample of the leading EIS / VCT investors



What about grant funding?

UK Grant funding is funded by “UK Research and Innovation”, and distributed by nine different councils

The most relevant councils for healthtech businesses are:

- 1) Biotechnology and Biological Sciences Research Council**
- 2) Medical Research Council**
- 3) Innovate UK**

The councils have hundreds of millions or more to invest every year

In 2020, the three councils mentioned had a combined budget of £2.45bn

The key aim of the councils is to drive innovation in the UK and advance the frontiers of their specific areas

The companies supported do not need to be UK companies, but to have a presence in the UK and benefit to the UK

A couple of examples of current grants on the Innovate UK website

SBRI - Vaccines for epidemic diseases: Readiness for clinical development and regulatory submission

Organisations can apply for a share of up to £10M inclusive of VAT, to enhance clinical and regulatory preparedness of vaccines against diseases that have outbreak potential in a low or middle income country.

Healthy Ageing Challenge - Designed for Ageing

UK registered businesses can apply for a share of up to £14.4million for service-led innovations to support healthy ageing.

Thank you



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Take a minute to fill this in to have a one to one on your investment ambitions



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