



Can Venture Investors Pick Winners?

Cambridge Professional Club lunch - 7 March 2024, Queens' College

Martin Rigby, Managing Director

REGULATORY NOTICE

This presentation does not constitute an offer by the Fund Manager or any other person to invest in the Fund or act as your fund manager or an invitation for you to offer the same.

Such an offer may be made to investors who have certified as a ‘high net worth investor’ or a ‘sophisticated investor’ in accordance with the rules contained in the FCA Handbook of Rules and Guidance (“FCA Rules”) and are able to elect to be treated as professional clients (and are found appropriate to do so, having regard to your knowledge and experience of similar investments).

This presentation may not be disclosed to any other person or used for any other purpose.

ET Capital - People



David Gill

Director

- Former investment banker at Chase Investment bank, Greenwell Montagu and Head of Technology & Innovation at HSBC
- Sloan Fellow at Stanford GSB
- Managing Director of St. Johns Innovation Centre 2008-24.
- Executive Director Carbon13
- Read English at Magdalene College Cambridge before being called to the Bar by Middle Temple in 1983



James Griffiths

Director

- 20 years experience as technology investor and entrepreneur
- Lived and worked in Japan for the Horiba Corporation and then a spin-out corporate investor partnered with Tokyo-based venture capital firm
- Former programme and fund manager for the Low Carbon Innovation Fund
- Read Law at Bristol University and is a Chartered Management Accountant



Martin Rigby

Director

- 30 years making and managing investments in over 50 innovative technology businesses
- Co-founder of Psonar (digital music streaming service)
- Chair of FSE (Regional fund management group)
- NED VSL Specialty Lending Investments PLC
- Advisory board member of the Bettany Centre for Entrepreneurship at Cranfield University
- Read History at New College Oxford; MBA, Cranfield University, IT and Computing at The Open University

ET Capital - History

| | | |
|---|--|---|
| 9 | 5 | 17 |
| funds since inception totalling \$25M AUM | IPOs with >\$3B aggregate capitalisation | trade sales ranging from \$200K to \$1.1B |



CARBON
ORDER



www.etcapital.com

ETcapital
CAMBRIDGE ENGLAND

Cambridge has winners

Raspberry Pi [+ Add to myFT](#)

Raspberry Pi shares jump more than a third on first day of trading

Cambridge-based creator of low-cost computers targets £542mn valuation



A robot places a component on a Raspberry Pi computer. The company began trading in 2012 and has sold more than 60mn single-board computers and computer modules © Bloomberg

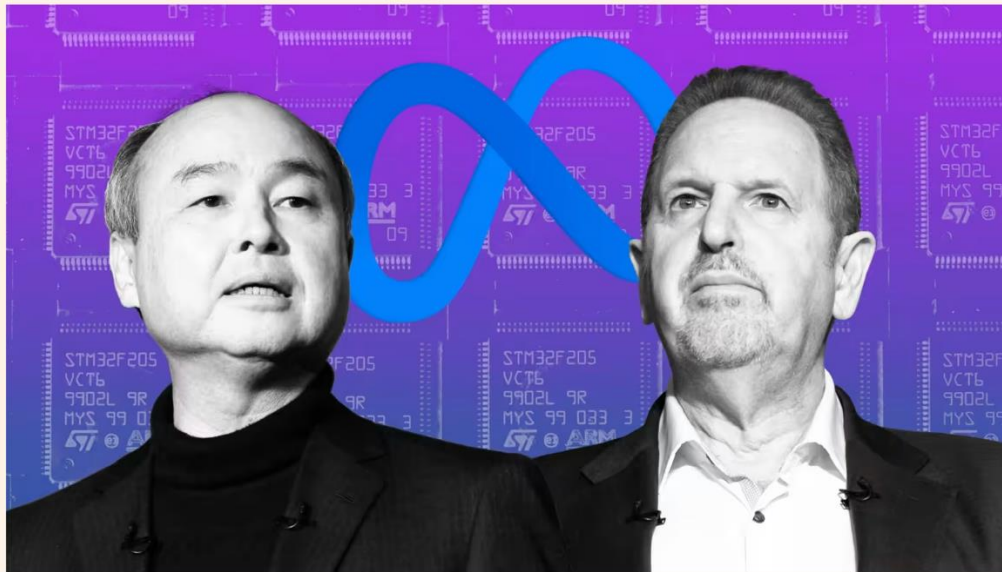
...and bigger winners

Arm Ltd

+ Add to myFT

Arm to launch its own chip in move that could upend semiconductor industry

SoftBank-owned group secures Meta as one of its first customers for new initiative



SoftBank's Masayoshi Son and Arm's Rene Haas © FT montage/Getty Images

www.etcapital.com

ETcapital
CAMBRIDGE ENGLAND

Can investors pick winners?

"I would like to believe otherwise. But a respect for evidence compels me to incline toward the hypothesis that most portfolio decision-makers should go out of business - take up plumbing, teach Greek or help produce the annual GNP by serving as company executives"

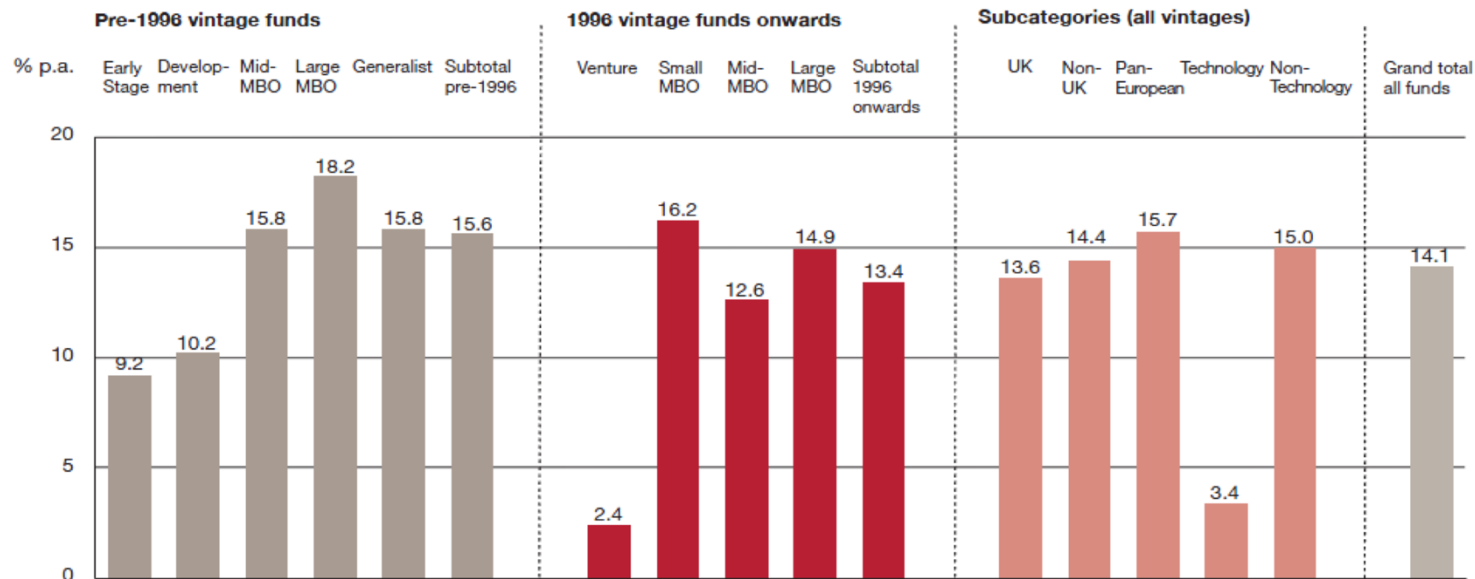
Paul Samuelson, Nobel Laureate, 1974

"I make as many mistakes in selecting deals today as I did the day I started investing at Sequoia."

Mike Moritz, when asked about his 'Midas touch', MIT Technology Review, 2005

The challenge of venture investment

Venture investment returns are **highly unpredictable**: most investments deliver **negligible or no returns** and those that do produce returns, even strong ones, do so in an **unpredictable timescale**.



BVCA Venture Capital Performance Measurement Survey 2013

Cambridge Venture Index

ET Capital has modelled the performance of six synthetic funds: 1992-99; 2000-04; 2005-09; 2010-14; 2015-19; 2020-24.

Simple investment strategy:

- ❑ £100K in every business
- ❑ Originated in:
 - ❑ **Cambridge Enterprise**
 - ❑ **Deeptech Labs**
 - ❑ **Start Codon**
 - ❑ **o2h**
- ❑ Investment in first round led by external investors where the £100K would account for 50% or less of the round.



CVI – Results

The analysis is encouraging – all the synthetic funds modelled, bar one, would have provided a positive return and beaten the FTSE 100 Index:

| | CVI | | FTSE |
|---------|---------------------|---------------------------------|-------------|
| | <i>Cash-to cash</i> | <i>Cash-to-cash + Valuation</i> | |
| 1992-99 | 16.71% | 16.83% | 3.62% |
| 2000-04 | -5.85% | -0.45% | 3.07% |
| 2005-09 | 9.55% | 10.69% | 1.04% |
| 2010-14 | 47.86% | 48.14% | 2.39% |
| 2015-19 | 15.16% | 27.63% | 0.09% |
| 2020-24 | 0.00% | 40.65% | 1.51% |

2015-19: strong return in 4.6 years

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Multiple | IRR |
|---|------------|--------------|------------|--------------|--------------|------|------------|------------|------------|-------------|----------|------|
| Z Factor Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £787,865 | | | | 7.88 | 41% |
| Healk Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £4,210,912 | 42.11 | 52% |
| Reduse Limited | (£100,000) | | | | | | | | | | | |
| Quethera Limited | (£100,000) | £0 | £0 | £2,785,402 | | | | | | | 27.85 | 203% |
| Silicon Microgravity Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £201,692 | 2.02 | 8% |
| Focal Point Positioning Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £1,112,771 | 11.13 | 31% |
| Morphogen-IX Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £706,076 | | | | 7.06 | 39% |
| Metriion Biosciences | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £742,071 | 7.42 | 25% |
| Gyroscope Therapeutics Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £434,896 | | | | 4.35 | 34% |
| Healthera Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £549,079 | 5.49 | 24% |
| Cambridge Allergy Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £389,469 | 3.89 | 19% |
| Storm Therapeutics Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £133,333 | 1.33 | 4% |
| 8power Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £56,704 | 0.57 | -7% |
| Psymics Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £688,259 | 6.88 | 27% |
| Wren Therapeutics Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £1,033,725 | 10.34 | 34% |
| Pervasiid Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | | | |
| Cambridge Touch Technologies Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | | | |
| Functional Therapeutics Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £182,332 | | | | |
| Polypharmakos Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | | | | |
| ApcentX | (£100,000) | £0 | £0 | £0 | £0 | £0 | £64,976 | | | | | |
| Exvstat Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | | | | |
| Turbine SCT Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | | | | |
| Snap Energy Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £87,815 | | | | |
| Perceptual Robotics Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | | | | |
| Small Pharma Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £430,513 | | | | | |
| Predictimmune Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | | | | |
| Neurofenix Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | | | | |
| Paragraf Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £567,000 | 5.67 | 28% |
| Intelligens Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £333,300 | 3.33 | 19% |
| Neophore Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £68,135 | 0.68 | -5% |
| Stemnovate Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £1,376,000 | 13.76 | 55% |
| Qkine Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £230,000 | 2.30 | 15% |
| Sorex Sensors Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £134,484 | 1.34 | 5% |
| Cortirio Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £243,775 | 2.44 | 16% |
| Ikva Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £120,001 | 1.20 | 3% |
| Adrestia Therapeutics Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £8,056,911 | | | 80.57 | 141% |
| Digital Insight Technologies Limited (Xapian) | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £259,397 | 2.59 | 17% |
| Audioteelligence Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £127,662 | 1.28 | 4% |
| Circuit Mind Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £206,148 | 2.06 | 13% |
| Anaphite Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £1,455,162 | 14.55 | 56% |
| Inovo Robotics Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £118,779 | 1.19 | 3% |
| Lucida Medical Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £1,431,550 | 14.32 | 56% |
| Bios Health Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £244,627 | 2.45 | 16% |
| Immaterial Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £493,278 | 4.93 | 30% |
| Sano Genetics Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £1,020,751 | 10.21 | 47% |
| Spotta Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £237,163 | 2.37 | 15% |
| Orbit Biomedical Limited | | | | (£100,000) | | | | | | | | |
| Flusso Limited | | | | (£100,000) | £0 | £0 | £471,976 | | | | 4.72 | 68% |
| Polyprox Therapeutics Limited | | | | (£100,000) | £0 | £0 | £21,521 | | | | 0.22 | -40% |
| Small Robot Company Limited | | | | (£100,000) | | | | | | | | |
| Riverlane Limited | | | | (£100,000) | £0 | £0 | £0 | £0 | £0 | £1,097,070 | 10.97 | 61% |
| Cambridge GAN Devices Limited | | | | (£100,000) | £0 | £0 | £0 | £0 | £0 | £203,332 | 2.03 | 15% |
| Castilis Limited | | | | (£100,000) | £0 | £0 | £0 | £0 | £0 | £299,094 | 2.99 | 24% |
| Diosynvax Limited | | | | (£100,000) | £0 | £0 | £0 | £0 | £0 | £428,725 | 4.29 | 34% |
| Poro Technologies Limited | | | | (£100,000) | £0 | £0 | £0 | £0 | £0 | £900,265 | 9.00 | 55% |
| Pencil Biosciences Limited | | | | (£100,000) | £0 | £0 | £0 | £0 | £0 | £160,858 | 1.61 | 10% |
| Immutrin Limited | | | | (£100,000) | £0 | £0 | £0 | £0 | £0 | £223,461 | 2.23 | 17% |
| Xampila Limited | | | | (£100,000) | £0 | £0 | £0 | £0 | £0 | £382,132 | 3.82 | 31% |
| | (£800,000) | (£1,300,000) | (£900,000) | (£1,600,000) | (£1,200,000) | £0 | £2,424,327 | £763,444 | £8,056,911 | £23,980,132 | | |
| Standard seed investment | £100,000 | | | | | | | | | | | |
| Gross investment | £5,800,000 | | | | | | | | | | | |
| Cash | | | | | | | | | | | | |
| Multiple | 2.42 | | | | | | | | | | | |
| IRR | 15.16% | | | | | | | | | | | |

| | Cash | Cash + residual |
|------------------------------|--------|-----------------|
| Multiple | 2.42 | 6.55 |
| IRR | 15.16% | 27.63% |
| Average time to exit (years) | 4.6 | |

2020-24: no return in 4.5 years

| | 2020 | 2021 | 2022 | 2023 | 2024 | Multiple | IRR |
|---------------------------------------|--------------|-----------------|--------------|------------|-------------|----------|------|
| RoboK Limited | (£100,000) | £0 | £0 | £0 | £168,292 | 1.68 | 14% |
| Cambridge Photon Technology Limited | (£100,000) | £0 | £0 | £0 | £57,866 | 0.58 | -13% |
| Tenyks Limited | (£100,000) | | | | | | |
| Accelerator Advisory Limited | (£100,000) | £0 | £0 | £0 | £100,066 | 1.00 | 0% |
| Kallium Health Limited | (£100,000) | £0 | £0 | £0 | £98,575 | 0.99 | 0% |
| Pharmenable Limited | (£100,000) | £0 | £0 | £0 | £230,052 | 2.30 | 23% |
| Cambridge Raman Imaging Limited | (£100,000) | £0 | £0 | £0 | £299,929 | 3.00 | 32% |
| Drishti Discoveries Limited | (£100,000) | £0 | £0 | £0 | £94,748 | 0.95 | -1% |
| Semaron Limited | (£100,000) | £0 | £0 | £0 | £120,756 | 1.21 | 5% |
| NU Quantum LTD | (£100,000) | £0 | £0 | £0 | £105,577 | 1.06 | 1% |
| Condense Reality Limited | (£100,000) | £0 | £0 | £0 | £539,895 | 5.40 | 52% |
| Nyobolt Limited | (£100,000) | £0 | £0 | £0 | £6,828,091 | 68.28 | 187% |
| BKwai Limited | (£100,000) | £0 | £0 | £0 | £174,112 | 1.74 | 15% |
| Spirea Limited | (£100,000) | £0 | £0 | £0 | £132,126 | 1.32 | 7% |
| Nobacz Healthcare Limited | (£100,000) | £0 | £0 | £0 | £234,891 | 2.35 | 24% |
| Tay Therapeutics Limited | (£100,000) | £0 | £0 | £0 | £292,759 | 2.93 | 31% |
| Xploro Limited | (£100,000) | £0 | £0 | £0 | £100,000 | 1.00 | 0% |
| NK10 Limited | (£100,000) | £0 | £0 | £0 | £96,939 | 0.97 | -1% |
| Regulatory Genome Development Limited | (£100,000) | £0 | £0 | £0 | £394,777 | 3.95 | 41% |
| Apollo Therapeutics Group Limited | (£100,000) | £0 | £0 | £0 | £95,979 | 0.96 | -1% |
| SDS Therapeutics Limited | | (£100,000) | £0 | £0 | £100,000 | 1.00 | 0% |
| Pockit Diagnostics Limited | | (£100,000) | £0 | £0 | £718,609 | 7.19 | 93% |
| Medwise AI Limited | | (£100,000) | £0 | £0 | £132,905 | 1.33 | 10% |
| Lucida Medical Limited | | (£100,000) | £0 | £0 | £136,171 | 1.36 | 11% |
| Camgraphic Limited | | (£100,000) | £0 | £0 | £97,903 | 0.98 | -1% |
| Hexagonfab Limited | | (£100,000) | £0 | £0 | £60,146 | 0.60 | -16% |
| Spliceor Limited | | (£100,000) | £0 | £0 | £108,333 | 1.08 | 3% |
| Tagomics Limited | | (£100,000) | £0 | £0 | £229,361 | 2.29 | 32% |
| Versed AI Limited | | (£100,000) | £0 | £0 | £100,005 | 1.00 | 0% |
| Zyosity Limited | | (£100,000) | £0 | £0 | £125,157 | 1.25 | 8% |
| Coding Bio Limited | | (£100,000) | £0 | £0 | £1,122,838 | 11.23 | 124% |
| Signaloid Limited | | (£100,000) | £0 | £0 | £438,194 | 4.38 | 64% |
| Mindtech Global Limited | | (£100,000) | £0 | £0 | £169,933 | 1.70 | 19% |
| Zetta Genomics Limited | | (£100,000) | £0 | £0 | £100,000 | 1.00 | 0% |
| CoSyne Therapeutics Limited | | (£100,000) | £0 | £0 | £102,829 | 1.03 | 1% |
| Monument Therapeutics Limited | | (£100,000) | £0 | £0 | £97,429 | 0.97 | -1% |
| Stroma Biosciences Limited | | (£100,000) | £0 | £0 | £100,000 | 1.00 | 0% |
| Salience Labs Limited | | (£100,000) | £0 | £0 | £60,652 | 0.61 | -15% |
| 52 North Health Limited | | (£100,000) | £0 | £0 | £96,467 | 0.96 | -1% |
| Barocal Limited | | | (£100,000) | £0 | £100,000 | 1.00 | 0% |
| Outfield Technologies Limited | | | (£100,000) | £0 | £160,200 | 1.60 | 27% |
| Sanome Limited | | | (£100,000) | £0 | £128,919 | 1.29 | 14% |
| Stembond Technologies Limited | | | (£100,000) | £0 | £100,000 | 1.00 | 0% |
| CardiaTec Biosciences Limited | | | (£100,000) | £0 | £100,000 | 1.00 | 0% |
| Super-Sharp Space Systems Limited | | | (£100,000) | £0 | £109,904 | 1.10 | 5% |
| Alevin Therapeutics Limited | | | (£100,000) | £0 | £52,501 | 0.53 | -28% |
| Myriofoam Limited | | | (£100,000) | £0 | £93,975 | 0.94 | -3% |
| Erebagen Limited | | | (£100,000) | £0 | £91,011 | 0.91 | -5% |
| Verinogen Limited | | | (£100,000) | £0 | £100,000 | 1.00 | 0% |
| Mote Research Limited | | | (£100,000) | | | | |
| Five Alarm Bio Limited | | | (£100,000) | £0 | £100,000 | 1.00 | 0% |
| ArkVax Limited | | | (£100,000) | £0 | £105,062 | 1.05 | 2% |
| Enhance3D Genomics Limited | | | (£100,000) | £0 | £386,556 | 3.87 | 97% |
| Adora Digital Health Limited | | | | (£100,000) | £132,164 | 1.32 | 32% |
| | (£2,000,000) | (£1,900,000) | (£1,400,000) | (£100,000) | £16,022,651 | | |
| Standard seed investment | £100,000 | | | | | | |
| Gross investment | £2,000,000 | | | | | | |
| | Cash | Cash + residual | | | | | |
| Multiple | 0.00 | 8.01 | | | | | |
| IRR | 0.00% | 40.65% | | | | | |

| | Cash | Cash + residual |
|------------------------------|-------|-----------------|
| Multiple | 0.00 | 8.01 |
| IRR | 0.00% | 40.65% |
| Average time to exit (years) | - | - |

2005-09: good return in 8.8 years

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2016 | 2017 | 2020 | 2024 | Multiple | IRR |
|---|-------------------|------------------------|------------|------------|------------|----------|------|------------|----------|----------|------|
| Cambridge Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £216,417 | 2.16 | 4% |
| Surface Generation Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £203,784 | 2.04 | 4% |
| Inotec AMD Limited | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £7,055 | 0.07 | -13% |
| Light Blue Optics Limited | (£100,000) | | | | | | | | | | |
| Psynova Neurotech Limited | | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £21,691 | 0.22 | -8% |
| Sentinel Oncology Limited | | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £431,288 | 4.31 | 8% |
| Enval Limited | | (£100,000) | £0 | £0 | £0 | £0 | £0 | £0 | £45,224 | 0.45 | -4% |
| Openiolabs Limited | | | (£100,000) | £0 | £0 | £0 | £483 | | | 0.00 | 0% |
| Optisynx Limited | | | (£100,000) | | | | | | | | |
| Horizon Discovery Limited | | | | (£100,000) | £0 | £0 | £0 | £3,870,015 | | 38.70 | 36% |
| AMS Sensors UK Limited (Cambridge CMOS Sensors) | | | | | (£100,000) | £14,078 | | | | 0.14 | -24% |
| Breathing Buildings Limited | | | | | (£100,000) | £177,970 | | | | 1.78 | 9% |
| | (£400,000) | (£300,000) | (£200,000) | (£100,000) | (£200,000) | £192,048 | £483 | £3,870,015 | £925,459 | | |
| Standard seed investment | £100,000 | | | | | | | | | | |
| Gross investment | £1,200,000 | | | | | | | | | | |
| | Cash | Cash + residual | | | | | | | | | |
| Multiple | 3.39 | 4.16 | | | | | | | | | |
| IRR | 9.55% | 10.69% | | | | | | | | | |
| Average time to exit | | 8 | | | | | | | | | |

| | Cash | Cash + residual |
|-------------------------------------|-------|-----------------|
| Multiple | 3.39 | 4.16 |
| IRR | 9.55% | 10.69% |
| Average time to exit (years) | 8.8 | |

CVI SEIS/EIS Fund 1

- £1-2M
- SEIS/EIS rules
- low fee model (0.9% p.a. for five years)
- investing £100-£200K in 10-15 companies in 2025-26 tax year
- businesses from Cambridge deal originators
- passive co-investment with first external investor
- fund-raising targeted on:
 - democratising investment in Cambridge for local HNW/Sophisticated investors
 - private investors wanting diversified investment in Europe's No 1 science cluster

CVI Fund LP1

- £10-20M
- limited partnership structure (probably offshore)
- low fee model (c1.25% annually)
- investing c£500K in 20-30 companies during 2026-30
- businesses from Cambridge deal originators
- passive co-investment with external investors in Seed+/A round
- fund-raising targeted on:
 - institutional investors (e.g. Cambridge colleges, UK pension funds)
 - family offices and HNW individuals

Contacts

David Gill - david@etcapital.com – 07920 052592

James Griffiths – james@etcapital.com – 07813 676797

Martin Rigby – martin@etcapital.com – 07889 412761