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Support from the start

We are always delighted to see businesses succeeding at a time when unfortunately so many others are struggling. It is even more of a delight when some of the key developments in the region are part of the North West Business Investment Scheme's portfolio.

Below we have highlighted Tepnel Life Sciences, Epistem and Nanoco, all of which have worked with NWBIS for a number of years. Each started life as a university spin-out, receiving funding at an early stage, and have significantly developed and grown with the support of those who backed them.

Over the coming months we will continue to back businesses from the emerging as well as traditional economy, support our existing portfolio and celebrate the successes which have a real impact on the region such as Nanoco. The return to date from Nanoco would allow 20x the original investment to be re-invested in the region

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Portfolio Developments - Start-ups and University spin-outs performing well

Epistem research deal

Epistem the AIM quoted stem-cell biotechnology company recently signed a multi-million pound contract with Novartis to fund research and development for the next two years. Following the announcement the market cap of the business rose to over £18m. Epistem will receive payments on completion of the targets set and also receive royalties on worldwide sales for any leads that are commercialised.

"The NWBIS was delighted to invest in Epistem in 2005 when it was still at an early stage. We are delighted to see the progress made by the company since it floated. This contract is a huge boost, the team deserve the recognition and success which will accompany this partnership the sector that the business operates in is a key emerging technology" Simon Cleaver, Investment Director.

"Datalase has been through a restructuring and refocusing of its main business over the last six months, and we were delighted that Simon and the NWBIS team had the vision to back its potential in what has been a very difficult environment for fundraising. We are poised to deliver some very exciting opportunities and look forward to working closely with YFM as these come to fruition."

John Mills, Datalase

Nanoco AIM Quote - 20x return so far...

Despite the wider stockmarket woes, Nanoco a Manchester University spin-out company that the NWBIS and other regional investors backed at seed funding stage has announced a reverse takeover of AIM-listed cash shell Evolutec, in a move that potentially values the combined group at over £40m. To date the return to NWBIS is 20 x the original investment and counting. Nanoco is developing and manufacturing semi-conducting materials called quantum dots, with widespread application solid-state lighting (LEDS), solar cells, and next-generation flat screen displays and biomedical applications.

"YFM are delighted to see this classic university spin-out rise from a speculative seed investment working from a renovated toilet (!) to a market listed company in state of the art facilities dealing with blue chip customers. Their products address a wide range of emerging product sectors with excellent export potential as well as potentially giving a UK based source for innovative UK companies to develop new products too. We congratulate the management team that have driven this business forward since the seed funding, value has been a key focus and has grown strongly" Doug Stellman, Investment Director.



Tepnel – a North West success

Another NWBIS investee has announced a recommended £92.8m offer made by US diagnostics firm Gen-Probe, valuing the business at a significant premium to the prevailing share price. The NWBIS invested in Tepnel Life Sciences, the Manchester-based biotechnology company, as part of the funding for a strategic change of direction in 2003 since when sales and profits have grown significantly. Tepnel reported a pre-tax profit of £2.78m in the year to December 31, a 119 per cent increase on the previous year.

And finally DxS - in the news again

The Manchester Evening News carried several pieces on DxS over the course of a few days. Two YFM managed funds are invested in DxS, the NWBIS and the British Smaller Technology Companies VCT 2 plc.

"DxS expects to see sales rocket to more than £10m over the next 12 months after a string of global distribution deals," Stephen Little,DXS

The company supplies diagnostics kits used by doctors to help them prescribe more effective treatments for lung and colon cancer patients.

DXS has established a global presence following a series of deals, including an agreement with industry giant Roche late last summer. M the work of its 60 existing employees.

DxS also plans to launch a range of diagnostic kits to help with the treatment of breast cancer over the next two years.

"Having YFM on board at Reaxa has allowed us to make significant progress in commercialising our new precious metal technologies for pharmaceutical manufacturing. Their ongoing support via NWBIS in a difficult economic and financial climate is allowing us to remain focused on the core growth objectives of the company, and we look forward to continuing our very positive relationship during the coming year."

Pete Jackson, Reaxa

