The Scottish Investment Bank (SIB) is the investment arm of Scotland’s main economic development agency, Scottish Enterprise. We work across Scotland in partnership with Highlands and Islands Enterprise and in collaboration with our partners in the public and private sector.

We support the economic inclusive growth agenda by increasing the supply of growth finance to Scotland’s growth companies and helping more companies to access the right finance at the right time.

“I’m delighted that the 2017-18 Annual Review demonstrates the continued importance of the role of the Scottish Investment Bank in Scotland’s early-stage risk capital market, supporting more companies than ever before to secure growth funding, and unlocking a growing number of companies raising larger levels of investment. Increasing the availability of, and access to, national and international investment capital continues to be a strong feature of our efforts having invested in over 140 companies; as does delivering a range of support and guidance to over 500 companies through our Financial Readiness Service.

The levels of investment we are witnessing in Scotland – with the underlying market showing a doubling of investment in new and earlier stage deals over 5 years ago - is testament to the strength of the entrepreneurial and internationally diverse investment eco-systems, and the highly innovative companies at various stages of development that are flourishing here in Scotland.”

Kerry Sharp
Director of the Scottish Investment Bank
In 2017-2018, SIB supported more Scottish companies to access the funding they needed to achieve their growth ambitions and helped in attracting increased amounts of investment from a diverse investor base.

In 2017-2018 we:
- Invested £43.5 million in 147 Scottish companies
- Leveraged over £206 million of investment
- Supported over 500 companies through SIB’s Financial Readiness Service
- Generated £17.6 million of income from SIB investments

“Funding from SIB has enabled us to be more flexible and responsive. We recently expanded into Munich with the acquisition of a company there. The availability of funds meant we could act quickly on this opportunity. And right now, we are scaling up our sales team here in the UK, the US and in new markets, including Japan and Australia. Again, this is thanks to the additional investment made available.”

Holly McComb
Chief Financial Officer, TVSquared
Our Financial Readiness specialists worked with over 500 growth-oriented companies in the year to help them:

- Understand the complexities of various finance options
- Identify the most appropriate funding package
- To get funder ready
- Secure appropriate finance
- Gain access to relevant public-sector support

Our new online Financial Readiness guides helped the Team reach a wider audience in 2017-2018.

“Entering into an investor negotiation where you are prepared with all the right documents and you’ve thought through the terms you are looking for makes all the difference. Having a robust financial plan including different scenarios, provides a solid foundation.

“The Financial Readiness Team’s input and advice was invaluable as they were able to introduce me to potential investors and provide insight based on wide experience. They also supported me by providing half of the cost of legal and accountant’s fees to prepare for raising the investment”

Julie Grieve, founder and CEO, Criton

Providing more than just investment for companies seeking SIB and SE support

Investors provide more than just investment capital to companies; they are also a source of invaluable support, including helping companies gain access to new markets, facilitating introductions to key contacts as well as providing sector and commercial insight and expertise. For the many companies who benefit from this additional support and experience, there is an increasing recognition that this can make the difference between success and failure.

Our Portfolio specialists work with management teams, partners and co-investors to support investee companies to deliver on their strategy and growth plans, including providing advice and guidance as well as identifying and introducing experienced and globally connected non-executive directors.

Section 2 Helping companies find the right finance and adding value

We continued to focus on ensuring that SMEs can identify the most appropriate finance for their needs and are well prepared to successfully access this finance through our Financial Readiness Service.
Many of our investee companies have benefited from the comprehensive package of support available through the SE and HIE Account Management service which includes High Growth Ventures support, help to commercialise new products, Entrepreneurial Development, Leadership Development, Innovation, the Start- to-Scale service and internationalisation support.

• Our investment, with that of our private sector partners and co-investors, helped our portfolio companies achieve turnover of more than £400 million
• £275m of international sales were achieved by our portfolio companies
• Our investee companies supported 3,400 jobs

“We knew from the first day that we wanted to commercialise our discovery, but we needed both funding and business support. Put simply, Causeway Therapeutics would not exist at all if it wasn’t for the advice and input that we’ve had from SE.”

Derek Gilchrist, co-founder, Causeway Therapeutics

We worked in partnership with our colleagues across Scottish Enterprise, Highlands and Islands Enterprise, Scottish Government and with partner organisations striving to create a more international, innovative and inclusive economy for Scotland.

“This is the largest inward investment in Harris for the best part of 100 years. It has, therefore, had an impact on the morale of the community proportionate to such an investment. From investment in 2014, we have created 22 full-time jobs for local people which has also created a positive and optimistic outlook.”

Ron MacEachran, a founding director, lead advisor, and one of the original group of investors, Isle of Harris Distillery
Section 3  **Increasing the attractiveness of Scotland to international investors**

Scotland has a dynamic and vibrant entrepreneurial and investment eco-system underpinned by world-leading technologies across a range of sectors and disciplines. From start-up and early stage companies, through to established businesses looking for scale-up capital, Scotland has a high calibre of investment opportunities that attracts a broad range of investors, both nationally and internationally.

To encourage greater capital into Scotland, we help companies identify, attract and secure new investment, by securing specialist corporate finance advice for companies. This support includes the preparation of investment teasers, training to make that all important pitch to investors, as well as building relationships with investors who are seeking the best in class global opportunities - key to ensuring an essential supply of capital.

To support more companies, to attract greater quantums of investment capital, we launched the pilot **Scottish-European Growth Co-Investment Programme (SEGCP)** - an innovative partnership with the European Investment Fund (EIF) - with funding from Scottish Government’s Scottish Growth Scheme. This £200m+ programme is designed to match investment from a range of EIF accredited investments funds from across Europe, helping bring new international capital into Scotland to support our most ambitious growth companies.

“**SIB’s involvement in the early rounds was really important to us. At that time, we were a small biotech company and our development programme was at an early stage. SIB’s ability to match our own investment and its commitment to NuCana helped us reach the point where we could attract institutional finance.**”

Hugh Griffith, CEO, NuCana

In 2017-2018 we:

- Worked with over 35 investors based outside of Scotland
- Helped companies secure more than £105 million of international investment
Section 4  Creating support for growth

The Energy Investment Fund, the successor to REIF, will provide flexible commercial investment for energy projects that will play a key role in Scotland’s transition to a low carbon economy.

- Through the Renewable Energy Investment Fund (REIF) delivered on behalf of Scottish Government, we supported 9 clean energy projects.
- We invested £10.2 million, and this leveraged £34.5 million of public and private sector investment.
- £8.8 million was invested into 5 ‘not for profit’ community projects helping to bring jobs, wider economic benefit and investment into these communities, driving forward the inclusive growth agenda in Scotland.

“The SIB funding was a critical element in enabling the whole project to go ahead. We found SIB to be extremely supportive through the whole process. Their insight and advice helped us to tackle the challenges of finalising the funding. This included introductions to investors, dealing with the due diligence process and negotiating with other parties to finalise the deal.”

Colin Renfrew, Chief Executive of Fyne Homes on their three-turbine windfarm development on the Kintyre Peninsula.
Scotland has a global reputation for leading the way in many sectors including digital, technology, life sciences, financial and business services, engineering, energy, food and drink and the creative industries. SIB supports businesses in these sectors to ensure we remain at the forefront as an innovative, international and inclusive economy to new companies and investors.

Want to join us on the journey?

If you are an investor interested in finding out more about investing in Scottish companies and how we can support, or a company looking to raise funding for your next stage of growth, get in touch with the Scottish Investment Bank.

Contact us by phone
0845 607 8787

email
scottishinvestmentbank@scotent.co.uk

Or visit
https://www.scottish-enterprise.com/sib