

# Introduction to the Low Carbon Innovation Fund 2

# We offer Venture Capital investment to grow your business

- ▶ Since 2010, Turquoise International and UEA have been making equity investments into selected businesses through the Low Carbon Innovation Fund (LCIF)
- ▶ We also provide specialist advice to prepare you to become investment-ready.
- ▶ If you are a commercially viable, environmentally sustainable enterprise with a vision to grow, we'd like to hear from you.



# What is the Low Carbon Innovation Fund?

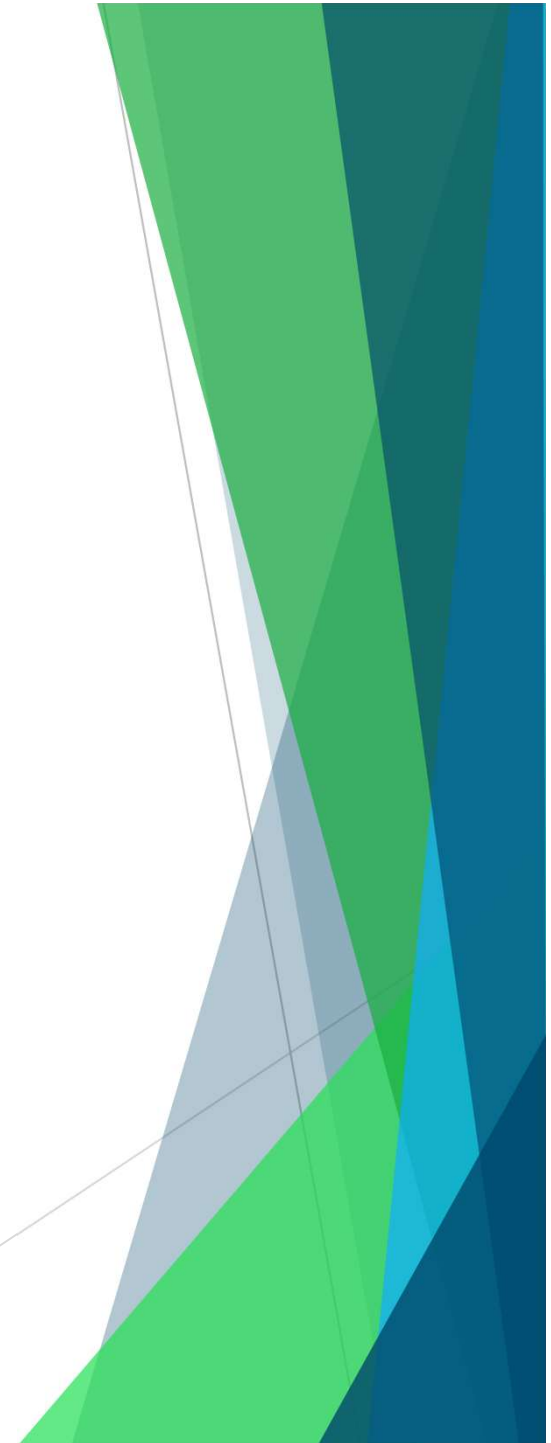
- ▶ £10.9M to invest in at least 38 companies.
- ▶ Venture capital fund, providing equity finance either as direct equity purchase or convertible loans.
- ▶ Up to 50% co-investment alongside private sector investors such as founders, angel investors and other funds.
- ▶ LCIF enables companies with measurable greenhouse gas savings to develop their technologies, products or services and bring them to market.
- ▶ Funding has been provided by ERDF on behalf of New Anglia LEP, Cambridgeshire & Peterborough LEP and Herts LEP

# The Fund's track record



# What is our goal?

- ▶ Bringing innovative technologies to market
- ▶ Causing real reductions in Greenhouse Gas Emissions
- ▶ Companies must have a measurable carbon saving aspect to the their products or services
  - ▶ Sale of products that reduce GHG emissions when used by the customer
  - ▶ Sale of components and technologies that are embedded in customers products
  - ▶ Products that enable energy or resource efficiencies
  - ▶ Products that facilitate greater use of renewable energy
  - ▶ Operational advances



# LCIF portfolio companies

NEARLY

**75%**

OF INVESTEES STRESSED  
THE VALUE OF LCIF IN  
LEADING THEIR INITIAL  
FUNDING ROUND

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**3 OUT OF 5**

INVESTEES SAID  
THEY COULD NOT  
HAVE RAISED  
THEIR ORIGINAL  
FUNDING ROUND  
WITHOUT LCIF



# Who can apply for LCIF investment?

- ▶ Your business should be planning for growth and have a strong business plan.
- ▶ You need to be prepared to sell equity in the company.
- ▶ You must be operating in the European Regional Development Fund (ERDF) approved eligible categories.
- ▶ What are the criteria?
  - ▶ Your company must fall within the EU definition of Small and Medium Sized Enterprises (SMEs)
  - ▶ You are developing or producing technologies, products or services which will have a beneficial impact on the environment by cutting greenhouse gas emissions through being more energy or resource efficient.



## What's the commitment?

- ▶ Either sale of equity or convertible loan investment
- ▶ At least 50% of round must come from private sector co-investment
- ▶ Arrangement & Management fees following investment
- ▶ Ongoing communications with LCIF NED or Observer
- ▶ Quarterly update on Fund metrics and management info
- ▶ Comms & publicity co-operation



# What does LCIF bring (1)?

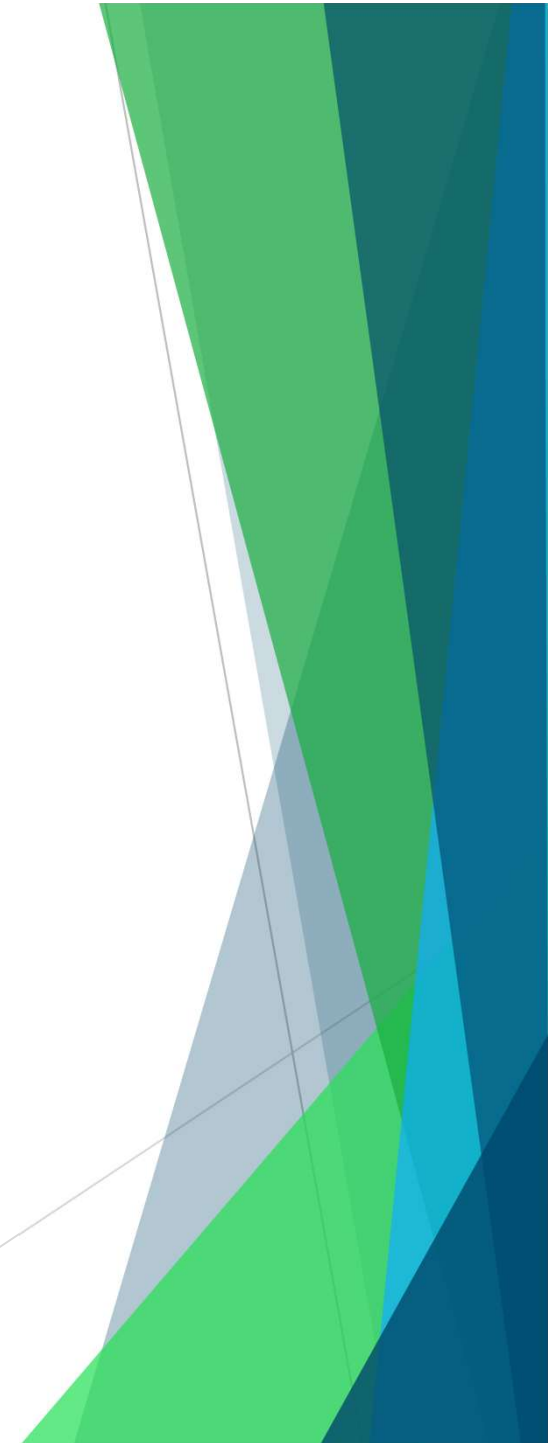
- ▶ Up to 50% of investment round funds
  - ▶ LCIF can either lead or complete a round
- ▶ Investment Readiness Support
  - ▶ Guidance on how to prepare the team and business for the fundraise
  - ▶ Knowledge and experience of the investment process & documentation
  - ▶ Access to experienced advisors
- ▶ Carbon Reduction Support
  - ▶ Guidance on how to implement real carbon savings through all aspects of the business – energy & resource efficiency

## What does LCIF bring (2)?

- ▶ A committed Non Exec Board member or Observer
- ▶ Support to prepare the company for the next stage of growth
- ▶ Access to our network & contacts
  - ▶ Low Carbon business cluster based at The Enterprise Centre
  - ▶ Access to students, research and academic resources
  - ▶ Wider network of university experts and public sector
  - ▶ Other LCIF portfolio companies
  - ▶ Other investors

## What size of investments do we make?

- ▶ For Start-ups and Early Stage:
  - ▶ Pathfinder investment up to £75k
- ▶ For technologies about to enter revenue:
  - ▶ Development investment up to £250k
- ▶ For businesses in revenue looking to grow:
  - ▶ Growth investment up to £450k



# How to apply



LCIF's experienced team supports applicants through the process, giving you the opportunity to respond to feedback and refine your application along the way, so that you get the investment that best fits your business.

## How it works in practice

- ▶ Initial informal chat with one of the team
- ▶ Submit Application Form (draft if necessary)
- ▶ Discuss Application with team and make any necessary refinements
- ▶ Application is presented to Committee for approval in principle
- ▶ Due diligence process – questions etc
- ▶ DD results presented to Committee for approval to invest
- ▶ Heads of Terms agreed and Agreement signed
- ▶ Evidence of co-investment provided
- ▶ Funds paid & NED or Observer appointed
- ▶ Ongoing regular Board Meetings & monitoring

# Questions?



[www.lcif.vc](http://www.lcif.vc)



University of East Anglia

TURQUOISE

Finance | Energy and Environment



European Union

European Regional  
Development Fund



Norfolk  
County Council

INVESTING IN  
A CLEANER  
FUTURE

LOW CARBON INNOVATION FUND