

**Kristina Tamane**  
**High Growth Spinout Programme**



## **Navigating the Spinout Pathway**

Support for ambitious, innovation driven early-stage companies who have high-growth potential to raise investment and scale internationally



# Scottish Enterprise – Our Purpose

Our purpose is to help businesses **innovate** and **scale** to transform Scotland's economy



Unlock Scotland's economic potential



Increase business productivity and competitiveness



Boost business sustainability

# Scottish Enterprise – Our Purpose

**SE's ambition:** Transform Scotland's green energy industries and supply chains.

## Transformational

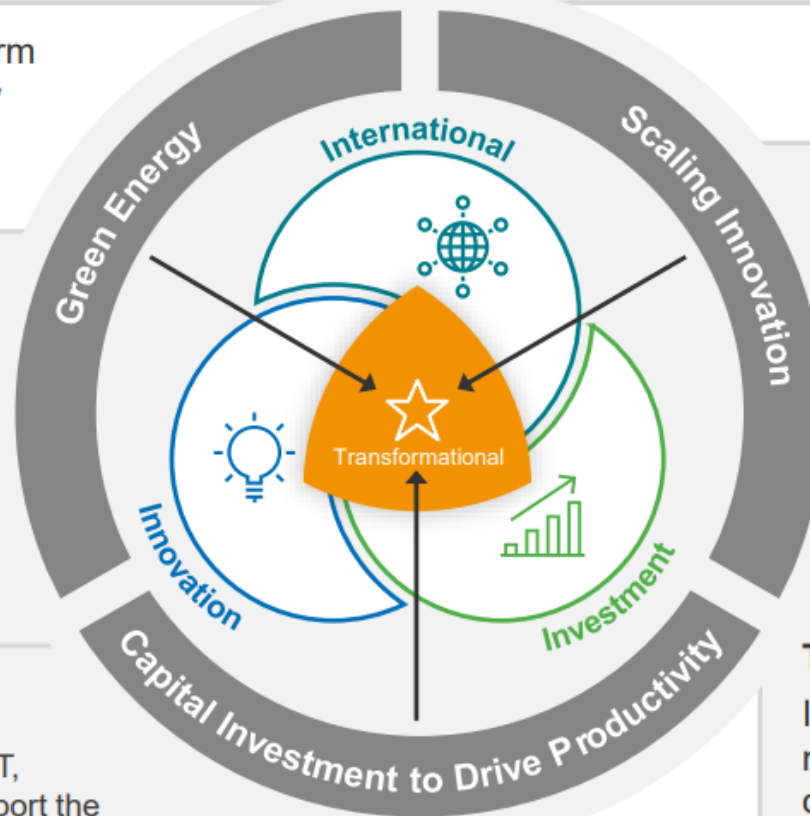
Realise the economic potential of green energy, unlocking billions of pounds of investment in renewable industry companies, projects and infrastructure.



Fully aligned to NSET, SE priorities will support the delivery of those ambitions.

## SE's purpose

Help businesses **innovate and scale** to transform the economy.



**SE's ambition:** Turn innovation into growth.

## Transformational

Scotland is recognised as having some of the most innovative and fastest growing industries globally, with increased investment and booming exports.

## Transformational

Investment will unlock new strategic game changing propositions, enable modernisation of business infrastructure, and achieve a step change in productivity.


**SE's ambition:** Deliver game changing capital investment projects.

# Scottish Enterprise – Our Purpose

## Mission for Energy Transition



Offshore Wind



Hydrogen



Green Heat



Decarbonisation of Transport


## Scaling Innovation to compete in Industries of the Future



Life Sciences/  
Human Health



Space



Quantum, Photonics  
& Semi-conductors



Industrial Biotech



Fintech

## Horizontal Enablers



Data & Digital



Advanced  
Manufacturing

# High Growth Spinout Programme

- The HGSP support is tried and tested having evolved over 20 years
- **9** out of **10** succeed, achieving an average of:
  - ✓ **£5.8m of equity**
  - ✓ **£1.1M of grants**
  - ✓ **£8.2M valuation**

## Requirements

- **Must** demonstrate High Growth potential
- Have **ownership** of protectable IP
- **Be able** to raise significant investment at spinout

**HGSP support is accessed via the University Technology Transfer Office and Business Development colleagues**



# High Growth Spinout Programme

## SE Wrap around support

Spinout projects access multiple SE touchpoints including:

- Research Service
- IP specialists
- Financial Readiness
- High Growth Services
- clusters/markets etc

Designated Advisor Framework to access experts in the commercialisation process.

## Market Exploration (ME)

Focus on female academics, priority industries sectors and institutions new to commercialisation.

£10,000 support for market exploration to the assess commercial opportunity.

One to one advisory to develop project ideas.



## Opportunity Qualification (OQ)

£75,000, 6-12 months project.

To address gaps in the spin-out business case - primary customer engagement, early investor engagement and technology de-risking.

Delivered via [HGSP Toolkit](#).



## Company Creation (CC)

£200,000, 12-18 months project.

Accelerating the value inflection point, creating the spinout and raising investment.

Projects considered when achieved OQ milestones.



## Convertible Loan Note (CLN)

£400,000 loan note for completed spin-outs to be used as bridge funding to a qualified investor lead

Converts to shares at a discounted rate to SE.

Designed to make the company attractive to other investors & provide cashflow for the company before its first fund raise.



## Energy storage spinout Exergy3 raises £1M in pre-seed funding



*Exergy3 founders Dr Markus Rondé and Dr Adam Robinson 2. Credit: Sam Christie*

**Post date:** Thu, 12/09/2024 - 13:58

Clean heat technology company Exergy3 has announced the successful closure of a £1 million pre-seed funding round for its novel ultra-high temperature thermal energy storage system.

The round was led by Zero Carbon Capital with participation from existing investors Old College Capital (OCC) – the University of Edinburgh's in-house venture investment fund, and Scottish Enterprise.

Source: School of Engineering: <https://www.eng.ed.ac.uk/about/news/20240912/energy-storage-spinout-exergy3-raises-%C2%A31m-pre-seed-funding>



# Case Study



Exergy3 is a spin out from the University of Edinburgh with a focus on developing technology that cuts carbon emissions and reduces costs - benefiting the planet as well as the customer. By converting renewable electricity from the grid into thermal energy, Exergy3 technology can supply high temperature, low carbon heat to power industrial and thermal processes.

Exergy3 was awarded High Growth Spinout Programme support in August 2020 and benefitted from the refreshed programme providing advisory support, training. The HGSP programme was instrumental in developing the founding team gain experience and knowledge to develop their value proposition, investment strategy and increase skills and capacity within the business.

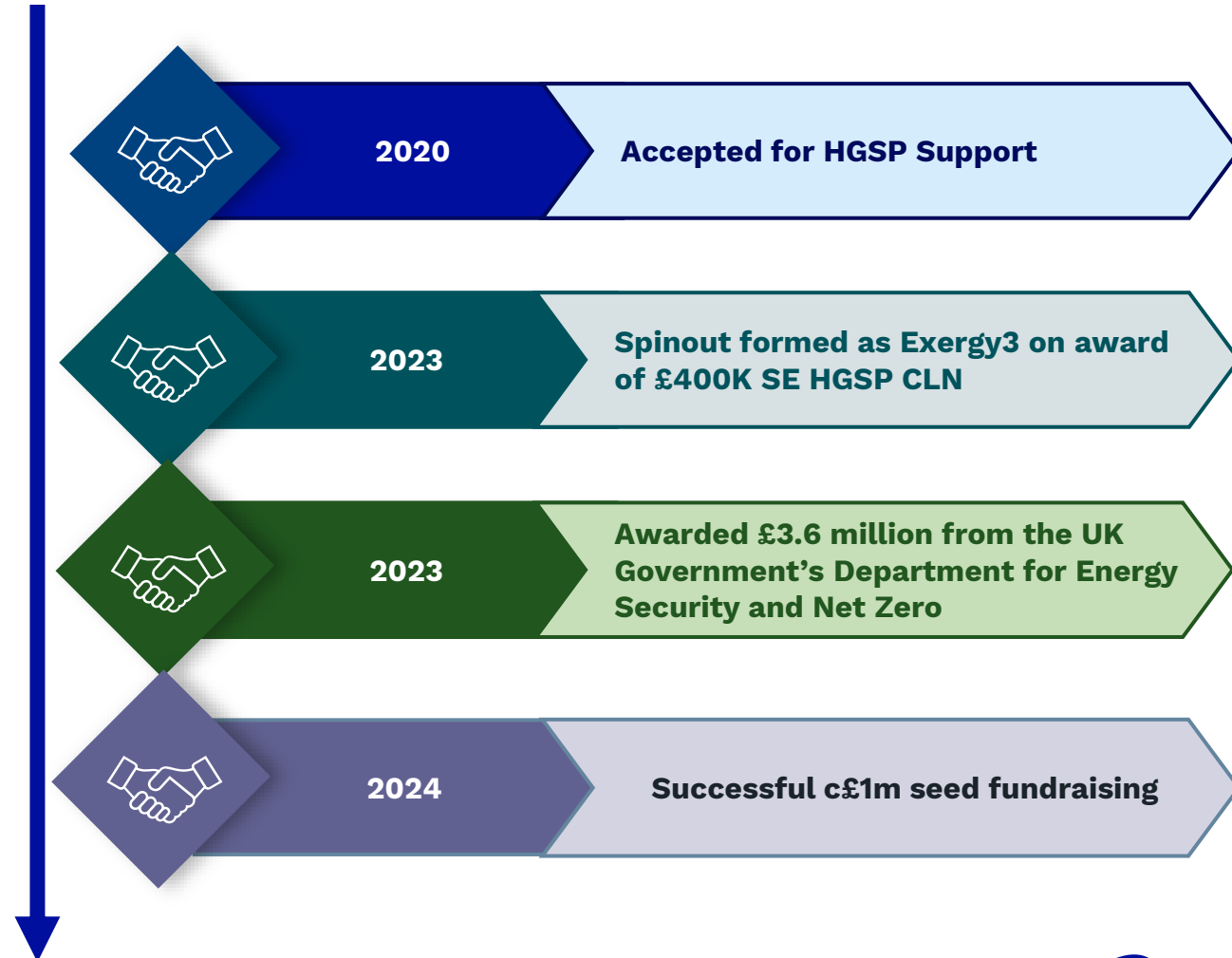
The project benefitted from wider SE support from sustainability, financial readiness, Innovate UK Edge and SMAS team.

The project spun out of the University of Edinburgh in May 2023 with a **£400k CLN from SE** to match fund significant grant funding.

Just after spinning out, Exergy3 secured **£3.6 million of grant funding** from the Department of Energy Security and Net Zero to build a full-scale demonstrator at Annandale Distillery their partner site for product development.

Exergy3 team are now supported through the **High Growth Services** team gaining access to the wider Scottish Enterprise wrap around support system.

Exergy3 completed a seed fundraising round in August 2024 of **c£1 million** from Old College Capital, Zero Carbon Capital and co-investment from Scottish Enterprise





Kenoteq was founded in 2019 as a spinout from Heriot Watt University. The company produces low carbon building materials made with nearly 100% recycled content from waste created by the construction industry.

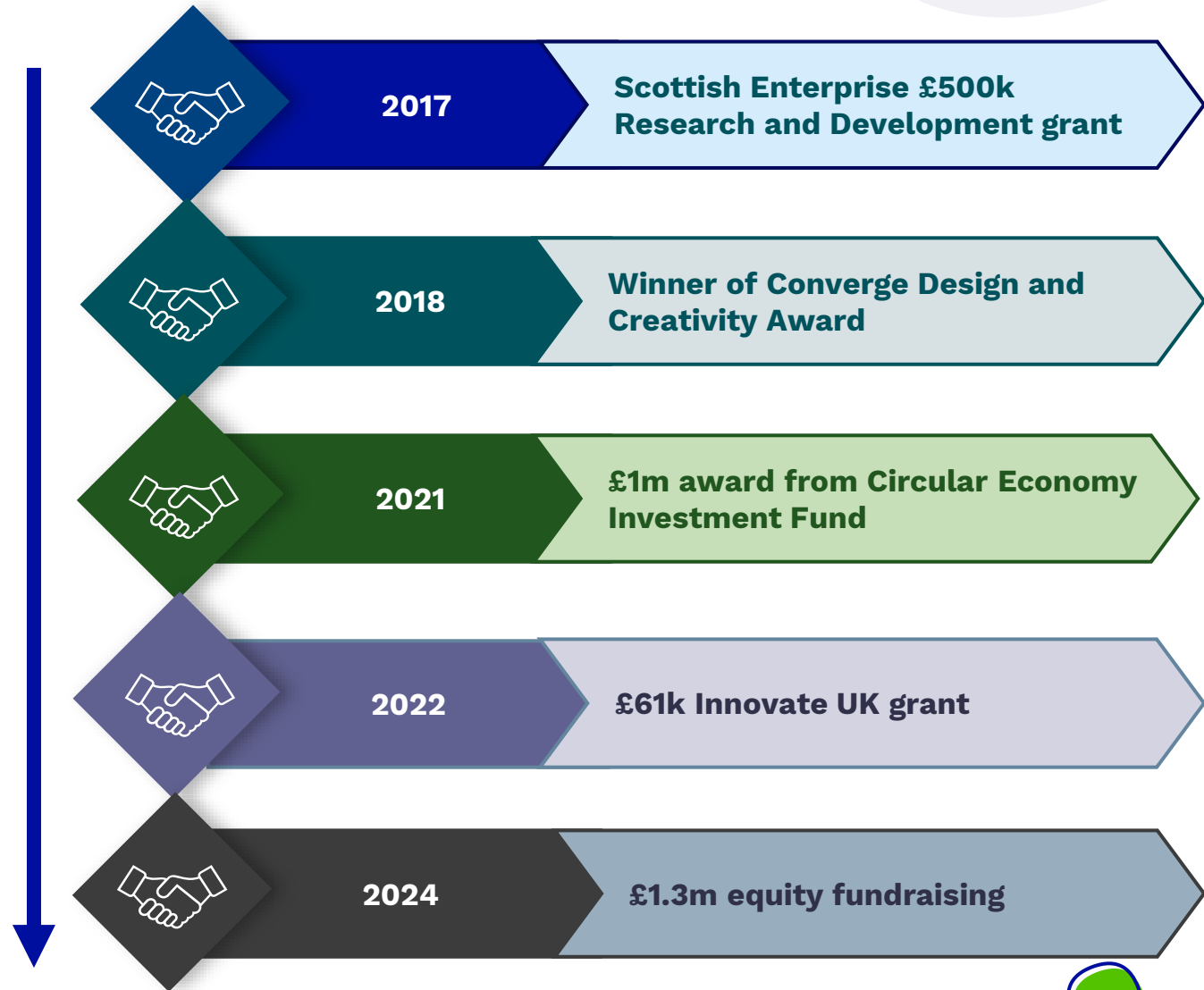
During 2017-2019, Kenoteq received a **£500k R&D grant from Scottish Enterprise** in addition to support through the High Growth Spinout Programme to identify a commercial opportunity for the product.

Kenoteq was recognised at Converge 2018 winning the Design and Creativity Award.

In 2021, Kenoteq was awarded **£1m by Zero Waste Scotland** via the Circular Economy Investment Fund to commercialise its sustainable products.

Kenoteq received **£61k of Innovate UK** grant funding in 2022.

Between 2020-24, Kenoteq has raised over **£2.2m in equity** fundraising, with the latest round closing at £1.3m. Kenoteq is now actively pursuing Series A funding and the international market.





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