



University of
Sheffield

Ambition for spinouts

Business Advisory Group

8th Feb 2023

A WORLD
TOP 100
UNIVERSITY

The University of Sheffield Research and Spinouts

Research at The University of Sheffield:

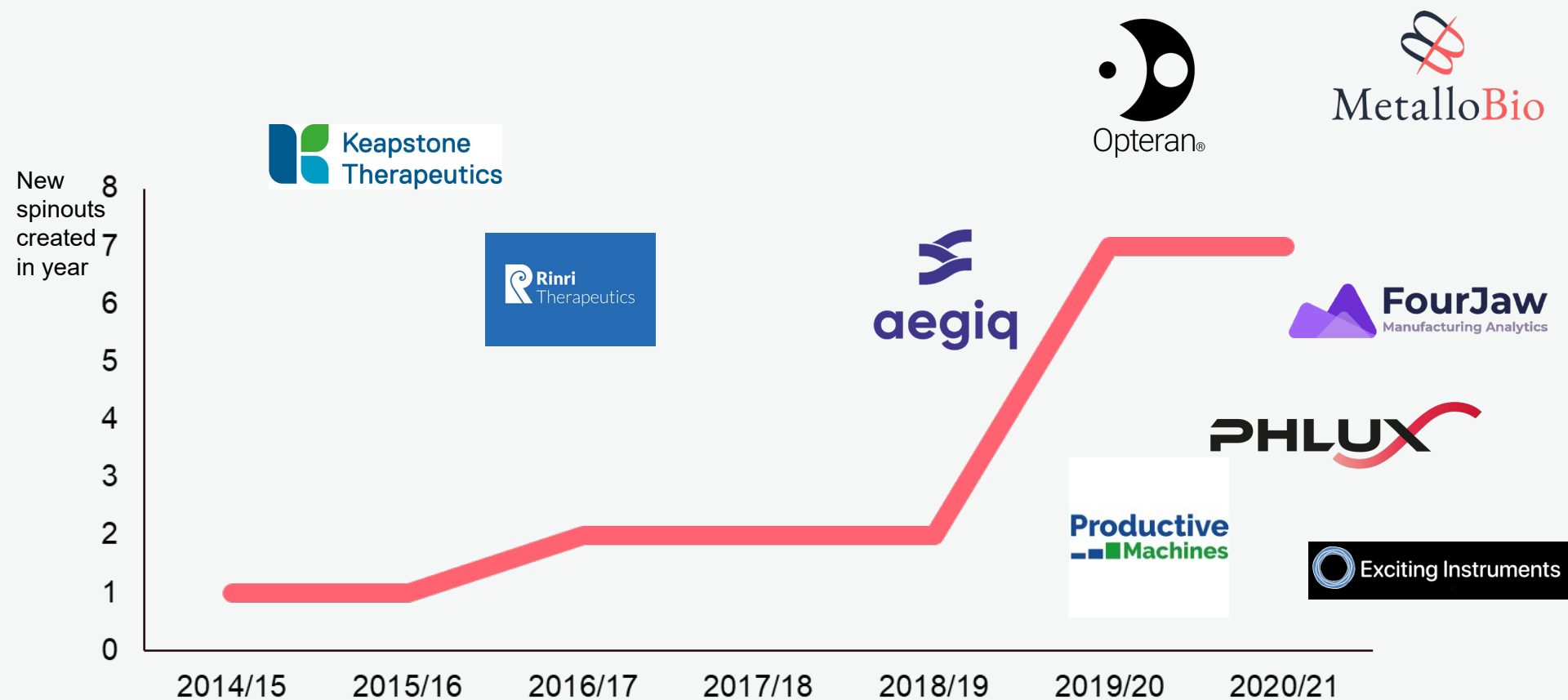
- Russell group of research intensive university
- Research topics: Medicine & Health, Science, Social Sciences, Arts & Humanities, Advanced Manufacturing and Engineering

Spinout Companies:

- Spinout companies utilise IP generated from University research
- Typically:
 - Founded by a researcher with cash investment from the University
 - Raise venture capital investment
 - Fast growth with R&D focus
 - Have global ambition



The University has steadily increased commercialisation resources and activities. This started with the IP Development and Commercialisation (IPDaC) Fund in 2016/17 and has produced a significant uplift in spinout incorporations



A change of policy in 2017: UoS now invests significant funding into IP-commercialisation and spinouts

Staff

12 FTE staff dedicated to supporting Founders to build their spinout companies

IP-Protection

£450k per year dedicated to IP-protection

Investment

Invest ~ £1M per year directly into spinouts and commercialisation opportunities

Venture capital

Founded Northern Gritstone

- Raised £215 million in May 22
- First three of four investments into Sheffield companies



Northern Gritstone – a new venture capital vehicle dedicated to our region

History

- Universities of Sheffield, Manchester & Leeds
- 3 years collaboration
- Founded NG, recruited leadership team and focused spinout pipelines into the company
- Fundraised £215 million in May 2022

Mission

- Raised funds to invest in IP-rich, fast growth businesses in the North of England
- ~40% funds may be deployed into “non-spinouts”

Leadership and strategic investors

- Chaired by Lord Jim O’Neill
- Direct link to Northern Powerhouse Partnership
- Investment by Bruntwood










Northern Gritstone Investments since May 2022 (to Feb 2023)

7 fundraisings

3 SY-based companies

1 ‘non-spinout’ in Sheffield

Participated in a combined investment of: £55.1 million

| | Sheffield & South Yorkshire | Leeds | Manchester |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| University Spinouts | <div>   </div> | <div>  </div> | <div>  </div> |
| ‘Non-spinouts’ | <div>  </div> | | <div>   </div> |



The combination of spinouts and Northern Gritstone has the potential to catalyse early-stage company creation and investment in our region

Spinouts + Gritstone: increasing equity investment by orders of magnitude:



| Rank | Cluster | Average yearly number of deals (2019-2021) | Average yearly investment value (2019-2021) | Largest sector by deal count |
|------|-----------------------|--------------------------------------------|---------------------------------------------|------------------------------------|
| 1 | London | 1,086 | £7.9bn | Software |
| 2 | Edinburgh | 127 | £195m | Business and professional services |
| 3 | Cambridge | 87 | £616m | Life sciences |
| 4 | Manchester | 74 | £333m | Business and professional services |
| =14 | Aberdeen | 20 | £54m | Energy |
| =14 | Sheffield City Region | 20 | £29m | Industrials |



Our next focus:

City centre incubation space

Retaining companies and supporting them to scale in the city centre as a 'feeder' for the regional Innovation Districts.

Founder community

Supporting Founders to access mentors and business support for their scale-up phase

Finance growth

Working with partners in the SY region to use Northern Gritstone as a cornerstone for further growth of the investor landscape.

