



## Investment in New SVV UK Software Tech Fund

[PIRES INVESTMENTS PLC](#)

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**Pires Investments plc**  
("Pires" or the "Company")

### Investment in the Sure Valley Ventures UK Software Technology Fund alongside the British Business Bank

Pires Investments plc (AIM: PIRI), the investment company focused on next generation technology, is pleased to announce that it has agreed to invest in a new venture capital fund, the Sure Valley Ventures UK Software Technology Fund (the "New SVV Fund"), alongside the British Business Bank ("BBB").

#### Highlights

- The principal investor in the New SVV Fund is the British Business Bank, an investment arm of the UK Government. The first close of this fund will amount to £85 million, with the BBB investing up to £50 million and other investors ("Private Investors"), including Pires, investing up to £35 million over the 10-year life of the fund.
- Pires, will initially invest circa £90,000, in the New SVV Fund on first close in order to fund the New SVV Fund's first investment which has already been identified. Pires expects to invest up to £5 million in total over the life of the New SVV Fund which would provide it with a circa 5.9% interest.
- The New SVV Fund will invest in a range of private UK software companies with a focus on companies in the Metaverse Artificial Intelligence and Cybersecurity sectors.
- The New SVV Fund will be managed by the same Sure Valley Ventures fund ("SVV") team which, to date, has been highly successful in achieving a number of cash realisations from, and upward revaluations of, companies in the SVV portfolio.
- The profit share arrangements within the New SVV Fund are designed to encourage the involvement of the Private Investors alongside the BBB, meaning that Pires and the other Private Investors would expect to receive a significantly enhanced share of the total return generated by the fund compared to industry standard.
- This investment will enable Pires shareholders to gain exposure to exciting, fast growing venture capital investments through a listed company structure with the expectation of an enhanced return which would otherwise be difficult for such investors to achieve.
- The Company has several sources available to fund this investment over the coming years. These would include, inter alia, realisations from SVV, the exercise of outstanding in-the-money warrants and previously announced upcoming liquidity events for a number of its other investments, as well as access to debt and equity capital markets.

#### Nicholas Lee, Director of Pires commented:

"This is a very attractive investment opportunity for Pires which, going forward, has the scope to deliver attractive returns to our shareholders. The Company's investment in the current Sure Valley Ventures fund has been highly successful, generating cash returns through realisations and significant increases in the value of the portfolio companies due to the majority of investments being revalued upwards on subsequent funding rounds. This fund is now moving from an investment to a realisation phase, with cash returns expected in the short to medium term.

The New SVV Fund is significantly larger and has much better economics compared to the first fund and will target exciting technology markets, including the Metaverse, Artificial Intelligence and Cybersecurity sectors. It will also be managed by the existing team from SVV that has a proven track record of successful investing. The fund has been created as part of the BBB's Enterprise Capital Funds programme that only accepts a very limited number of fund managers on to the programme, so this is a clear validation of the quality of the investment team at SVV. At the same time, the fund structure enables private investors to obtain enhanced returns thereby allowing Pires shareholders to gain exposure to highly exciting venture capital type investment opportunities through a listed company structure with associated liquidity, on an attractive enhanced return basis.

We are very excited about this opportunity and to be investing alongside the BBB and look forward to updating our shareholders and the market as further progress is made."

#### Background to and rationale for the investment

The Company first invested in SVV in November 2019 as a way of accessing an attractive and established portfolio of investments within the technology sector as part of the Company's focus on developing a portfolio of technology investments. Since then, the portfolio has performed ahead of expectations, delivering both cash returns and a steady flow of upward revaluations of the portfolio companies. The SVV portfolio currently comprises 14 investments and is now moving from an investment to a realisation phase. At the same time, Pires has developed a portfolio of other investments in the technology sector, a number of which, such as Pluto Digital plc and Low6 Limited, are progressing towards liquidity events in the short term.

The Directors therefore believe that given their recent experience with SVV and, more generally, their experience of investing in the technology sector, the New SVV Fund represents an attractive investment opportunity. This is particularly the case against the background of a significant cornerstone investment by the BBB and the potential to achieve enhanced returns as a result of the fund's profit share structure.

#### The BBB

The BBB is the largest domestic backer of venture capital funds in the UK. Established in 2006, the Enterprise Capital Funds ("ECF") programme helps those looking to operate in the UK market to raise venture capital funds specifically targeting early-stage small businesses believed to have long-term growth potential.

The ECF programme combines private and public money to make equity investments into high growth businesses. The aim is to increase the supply of equity to UK growth companies and to lower the barriers to entry for fund managers looking to operate in the venture capital market. The BBB's ECF programme only accepts a very limited number of fund managers on to its programme.

The BBB specifically invests alongside venture capital funds on terms which improve the outcome for those private investors when those funds are successful in order to encourage venture capital funds to operate in a part of the market where smaller businesses may not be able to access the growth capital they need.

Other well-known fund managers that have been involved with the BBB ECF programme include Dawn Capital, Notion Capital, Amadeus Capital Partners, IQ Capital, and Episode 1.

#### Details of the New SVV Fund

The New SVV Fund will complete its first close with total investment commitments of £85 million, of which £50 million will be invested by the BBB with the balance of £35 million coming from Private Investors, including financial institutions and family offices. The total investment may, however, increase to £95 million, with the Private Investors investing up to £45 million. Pires' investment allocation of £5 million will, however, not be required to be increased in these circumstances.

Pires' investment commitment over the life of the New SVV Fund will be drawn down in tranches as and when funds are required for investment over the 10-year life of the fund. However, as is similar to the existing SVV fund, any realisations of its investments will be distributed to investors at the time of realisation (as is common with funds of this nature) therefore the return on this investment is expected to be received throughout the life of the fund.

The New SVV Fund will invest in a range of private UK software companies with a focus on companies in the Metaverse, Artificial Intelligence and Cybersecurity sectors.

The BBB invests alongside venture capital funds on terms which improve the outcome for private investors when those funds are successful in order to encourage venture capital funds to operate in a part of the market where smaller businesses may not be able to access the growth capital they need. As a result, the Private Investors can benefit from enhanced profit share arrangements compared to what might otherwise be available from similar investment funds.

The Sure Valley Ventures UK Software Technology Fund has been created under the partnership, Sure Valley Ventures Enterprise Capital LP ("Partnership"). The Partnership has been constituted under an agreement between Sure Valley General Partner Limited ("GP") and Sure Valley Ventures Founder LLP ("FP") to carry on the business of an investor including identifying, negotiating, making, monitoring and realising investments and to carry out all functions and acts in connection therewith.

Shard Capital AIFM LLP has been selected by the GP to act as the Alternative Investment Fund Manager (AIFM) of the Partnership and has been appointed by the Partnership to (i) admit Investors to the Partnership and thereafter to operate the Partnership and manage its investments, and (ii) act as Alternative Investment Fund Manager (as defined in the AIFMD) to the Partnership.

Sure Valley Ventures Limited has been selected by the GP to act as investment advisor to the Partnership. The role of Sure Valley Ventures Limited shall include sourcing investors and deal flow for the Partnership, advising the Manager on making investments, and arranging deals in investments for the Partnership. If Sure Valley Ventures Limited or another Associate of the General Partner becomes an Authorised Person permitted under FSMA to act as Manager of the Partnership, it is intended that Sure Valley Ventures Limited or its Associate (as applicable) shall be appointed as AIFM of the Partnership.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

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#### Notes to Editors

##### About Pires Investments plc

Pires Investments plc (AIM: PIRI) is an investment company providing investors with access to a portfolio of next generation technology businesses with significant growth potential.

The Company is building an investment portfolio of high-tech businesses across areas such as Artificial Intelligence, Internet of Things, Cyber Security, Machine Learning, Immersive Technologies and Big Data, which the Board believes demonstrate evidence of traction and the potential for exponential growth, due to increasing global demand for development in these sectors.

For further information, visit: <https://piresinvestments.com/>

##### About the British Business Bank ("BBB")

The BBB is the largest domestic backer of venture capital funds in the UK. Established in 2006, the Enterprise Capital Funds ("ECF") programme helps those looking to operate in the UK market to raise venture capital funds specifically targeting early-stage small businesses believed to have long-term growth potential.

The ECF programme combines private and public money to make equity investments into high growth businesses. The aim is to increase the supply of equity to UK growth companies and to lower the barriers to entry for fund managers looking to operate in the venture capital market. The BBB's ECF programme only accepts a very limited number of fund managers on to this programme.

The BBB specifically invests alongside venture capital funds on terms which improve the outcome for private investors when those funds are successful in order to encourage venture capital funds to operate in a part of the market where smaller businesses may not be able to access the growth capital they need.

Other well-known fund managers that have been involved with the BBB ECF programme include Dawn Capital, Notion Capital, Amadeus Capital Partners, IQ Capital, and Episode 1.

For further information, visit: <https://www.british-business-bank.co.uk>

##### Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

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