



ARCHANGEL INVESTORS LIMITED

ANNUAL REPORT 2023

INVESTING
in innovation

Archangels is a prominent business angel syndicate, which has been at the forefront of early stage investing in Scotland for over 30 years. We provide our members with carefully-curated opportunities to invest in the most innovative companies and to support their early stage development to fullest potential.

There are

19

active companies
in our portfolio

in which Archangels
has invested

£76m

to date.

INVESTING
in innovation



Investment and expertise
for promising, early stage
Scottish technology and
life science companies

PORTFOLIO



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The investment team chooses not to report the fair value of Archangels' investments. However, it is important to note that the underlying fair value of a large number of companies in the current portfolio is greater than the book value.

For purposes of reporting on number of follow on rounds, multi tranch ed investments have been included as 1 investment round.

**CHAIR**

Ian Macleod

**DIRECTORS**

Tim Allan CBE
Neil Cunningham
Maureen Kinsler
Mike MacPhee
Andrew Sealey

LETTER FROM THE CHAIR

Dear Member

Portfolio rotation; not too much, not too little, is a vital metric for our success. We aim to add a couple of new companies per year and had slightly lagged that rhythm over the Covid period, but I'm delighted to say that the number of high-quality new opportunities we engage with has rebounded strongly in the current calendar year.

In March, we completed a £2.35m first round investment in Bioliberty, whose robotic glove promises substantial benefits to patients in recovery from stroke and other hand traumas. We recently circulated a new investment opportunity in 1nhaler, which has developed a unique low-cost, single use, sustainable inhaler that should greatly ease the distribution and delivery of a range of drugs and antivirals. In addition, there are currently one or two more new companies which have 'survived' the rigorous months of due diligence, through which all Archangel companies must pass. If remaining checks and final terms can be agreed, then there should be more new opportunities in the coming months.

Just as the portfolio is seeing increased introduction of new investments, it is also experiencing significantly more interest on potential exits. Our aim is not to 'hold' companies, but to nurture and assist them in getting to the next stage in their development. It is sometimes frustrating that we are prevented from revealing details of our exit deals, but it is reassuring that both Optoscribe in 2022 and Blackford Analysis earlier this year, were acquired by world leading blue chips, which are providing them with the resources to project their Scottish-born innovations globally. It is also gratifying that the returns to investors on those deals were significant multiples to capital invested. There are currently a few companies in the portfolio engaged in sale processes and we hope to provide positive updates in due course.

So, if our 'ins' and 'outs' are in pretty good kilter, what of the investors? We are delighted that our members and co-investors have supported investments so far this calendar year of a record £18m, of which £15.7m has been to support the ongoing development of existing portfolio companies. In my view, the majority of these investment rounds have been supported by exciting and compelling business prospects:

- At Cytomos, a very impressive first 12 months under incoming CEO, David Riggerink and Chair, Alan Raymond, supported by other key new talents has

accelerated its cell analysis solution and paved the way for our largest round of the year at £4.0m. This should enable initial commercialisation of its technology in the first half of 2024, that could revolutionise the development and commercialisation of products in the biotechnology industry.

- BDD successfully closed a £2.0m investment round and is actively working on the next stages of clinical expansion and development of the 'Oralogic' pipeline.
- A similar sized round at Administrate was achieved to support growth and the company has seen heartening progress in contracted ARR. It also appointed a new Chair, Julian Castelli, this year.
- We raised £2.0m for Calcivis as part of a larger round as it approaches commercial launch in Boston in the early new year.
- We raised a £2.0m Convertible Loan Note (CLN) for PowerPhotonic, to provide working capital headroom to support strong revenue growth this year.
- Having appointed new Chair, Chris Nash, and some key senior executives, we raised a £3.5m round for NCTech in March.
- Finally, we raised a further small CLN for MGB Biopharma, to tide it over while the company seeks to secure funding to support Phase 3 clinical trials of its novel antibiotic candidate.

It is the nature of early stage investing that not all companies make it, often despite huge efforts and perseverance. I am sad to say that PhysioMedics was placed into administration in April and we wish the team all the best in their next projects.

Of course, all this activity doesn't happen on its own. It's the product of the very hard work and no small amount of guile on the part of our executive team and Board. Filtering hundreds of new opportunities annually, distilling those down to 20 or so for detailed due diligence and then to two or three for investment.

Supporting portfolio companies, sharing expertise, seeking new co-investors, helping to find new directors and managers where necessary, liaising, lobbying, managing exits and, last but not least, providing service and access to

our membership, takes a huge amount of time. I'm therefore delighted that Dan McKiddie, who has extensive financial and investment experience and studied as a Mechanical Engineer, joined the exec team as Investment Manager in June, boosting the capacity of the team.

We have also retained the services of Professor Adam Stokes of the University of Edinburgh, as our Academic in Residence on our New Deals Committee.

In light of the above additions to the team and as I mentioned at the AGM, we feel it is appropriate to increase our annual membership fee this year, to £2k plus VAT. This will augment the recurring income of Archangels and reinforce its sustainability.


Another development which I bring to your attention is an agreement with British Business Investments (a subsidiary of British Business Bank) to become a co-investor in Archangels transactions, subject to limits. BBI thus comes alongside Scottish Enterprise as a prime co-investment partner and adds flexible capacity for funding rounds.

We have seen a more restrained approach by HMRC to issuing EIS approval in certain situations. EIS is vital to securing investment for the early-stage companies on which our economy relies, and as an organisation, we continue to work on securing the future of the policy with all relevant parties.

I will close by thanking you all for your continued support during the year and I hope that we can continue our strong progress during the course of next year.

Ian Macleod, Chair
October 2023

OUR INVESTMENT
PHILOSOPHY



EARLY STAGE TECHNOLOGY
AND LIFE SCIENCES



BASED IN
SCOTLAND





HIGH GROWTH
AND SCALABILITY





RANGE OF INVESTMENT
FROM £500K TO £2M




DEFENSIBLE IP





USE DOMAIN EXPERTISE
IN NETWORK TO DILIGENCE
OPPORTUNITIES





ENTERPRISE INVESTMENT
SCHEME QUALIFYING





LEAD INVESTOR OVER
MULTIPLE FUNDING
ROUNDS





BOARD:
Julian Castelli
(Chair)
John Peebles
(CEO)
Patrick Flanagan
(COO)
Katherine Tenner
(CFO)
Niki McKenzie
(Investor Director, NXD)
Michael de la Torre
(NXD)
Martijn Kleibergen
(Mercia Investor Director, NXD)

Date of First Investment:	December 2010
Initial Sum Invested:	£0.22m
Total Invested by Archangels:	£9.3m
No. of Follow on Rounds:	12
% Held (fully diluted):	32%
Last round Price:	£0.20
Total Invested by All Shareholders:	£21.1m
Archangels observer:	Niki McKenzie

Administrate provides a training management platform that helps enterprises streamline their learning and development activity through comprehensive, configurable, cloud-based software. The software helps businesses organise content and build learning plans for students; deliver online and blended learning activities; and schedule and plan resources to enable users to maximise their return on training investment.

COMMENT:
The business is focused on growing new business with large global enterprise customers with complex scheduling requirements. Often these customers are working within manufacturing environments with high value equipment and regulated processes. Average contract values continue to increase as a result. The business has just launched its new scheduler functionality which is expected to create significant value for customers.



BOARD:
Joseph Keegan
(Chair)
Iain McWilliam
(CEO)
Kirsty Macfarlane
(COO)
Martin Ramsay
(CFO, Investor Director)

Date of First Investment:	February 2001
Initial Sum Invested:	£0.1m
Total Invested by Archangels:	£3.5m
No. of Follow on Rounds:	13
% Held (fully diluted):	58.6%
Last round Price:	£0.17
Total Invested by All Shareholders:	£5.5m
Archangels observer:	David Ovens

Arrayjet is a niche biotechnology company, providing innovative microarray and bio-printing solutions to diagnostic companies, drug development groups and life-science researchers worldwide. It is a quality company, with ISO 13485:2016 accreditation.

Arrayjet’s platform technology is built around unique non-contact, inkjet technology which consistently delivers picolitre to nanolitre volumes, for high quality microarray and biochip production. It manufactures and sells instruments direct to customers for in-house use, as well as offering Arrayjet Advance™, which provides outsourced contract research and screening

COMMENT:
Arrayjet continues to innovate and ‘Mercury’, its latest instrument, has generated a strong level of orders since it was launched. Arrayjet Advance™ continues to grow as a business area, where microarrays are proving crucial in small molecule drug binding, therapeutic antibody screening, biomarker discovery, autoimmune profiling and protein-protein interactions, to name just a few examples.



BOARD:
Joanne Kelley
(Chair)
Carol Thomson
(CEO)
Glenn Crocker
(NXD, Investor Director)
Stephen Brown
(NXD)
Claire Madden-Smith
(NXD)
Howard Stevens
(Director, Founder)

Date of First Investment:	February 2018
Initial Sum Invested:	£1.86m
Total Invested by Archangels:	£4.4m
No. of Follow on Rounds:	2
% Held (fully diluted):	30.9%
Last round Price:	£8.60
Total Invested by All Shareholders:	£5.27m
Archangels observer:	Sarah Hardy

Bio-Images Drug Delivery Ltd (BDD Pharma) combines drug delivery formulation expertise and clinical capabilities to accelerate product development pipelines, enable drug life cycle management and create new value-added products for its clients. Uniquely it combines onsite CRO and investigative site activities to offer clients an integrated solution for conducting early phase clinical trials.

Rapid parallel clinical testing with BDD SWIFT significantly reduces the time from product concept to clinical success. The unique patented time release technology, OralogiK™ provides unrivalled control of drug release at the right place and time to achieve a superior and clinically effective drug delivery profile.

COMMENT:
BDD Pharma continues to trade well with strong growth across the business. It has expanded its global customer base with new clients accessing its clinical and formulation services. New investment into the company is being used to expand its clinical capacity and ability to deliver Phase I First in Human trials of novel medicines.

The company remains focused on building a strong pipeline of development and royalty-bearing license agreements to create shareholder value.



BOARD:
Frank Armstrong
(Chair)
Jeremy Wheeler
(CEO)
Alison Williamson
(CFO)
Mark Bradley
Director
Stephen Little
(NXD, Investor Director)

Date of First Investment:	March 2021
Initial Sum Invested:	£0.96m
Total Invested by Archangels:	£2.4m
No. of Follow on Rounds:	1
% Held (fully diluted):	34.9%
Last round Price:	£54.00
Total Invested by All Shareholders:	£3.2m
Archangels observer:	Sarah Hardy

BIOCAPTIVA is developing BioCaptis, a revolutionary medical device that promises to transform liquid biopsy testing and enhance cancer detection. Dramatically increasing the amount of cell-free DNA (cfDNA) available for liquid biopsy testing, BioCaptis empowers cancer diagnostics and research, far beyond what is currently possible.

The BioCaptis works alongside a standard apheresis machine, filtering cfDNA from the patient’s blood system during a 30 min (approx.) procedure. The resulting sample contains in the order of 100x more cfDNA than the current standard of care (a simple blood draw), allowing much more accurate liquid biopsy, including detecting early-stage disease.

COMMENT:
BIOCAPTIVA are working with the international Clinical Research Organisation ICON to begin clinical trials in Q4 2023. This will be a key step before starting regulatory trials with the goal of unleashing the full potential of liquid biopsy in cancer management to improve patient outcomes.

The company has expanded its business development activities to exploit the polymer’s ability to extract high quantities of cfDNA ex vivo (i.e from urine or pleural fluid). The company is exploring industrial partnerships to maximize this opportunity.



BOARD:
Albert Nicholl
(Chair)
Rowan Armstrong
(CEO)
Ross O’Hanlon
(Chief Strategy Officer)
Shéa Quinn
(Chief Operating Officer)
Conan Bradley
(Chief Design Officer)
Ian Stevens
(NxD and Investor Director)
Ramy El-Madany
(NxD)

Date of First Investment:	March 2023
Initial Sum Invested:	£1.1m
Total Invested by Archangels:	£1.1m
No. of Follow on Rounds:	0
% Held (fully diluted):	17.9%
Last round Price:	£0.57
Total Invested by All Shareholders:	£2.46m
Archangels observer:	Niki McKenzie

Bioliberty is a rehabilitative soft robotics company. Its first application is a wireless robotic glove (“Lifeglov”) which incorporates novel soft robotic technology combined with a digital therapy platform to help patients and clinicians track hand rehabilitation progress post trauma and stroke, both in and out of the clinic.

COMMENT:
The team is completing development of the trial product and finalising software development. Extensive patient testing is being conducted and there has also been early commercial engagement in the US with rehab clinics. The business will seek to obtain FDA approval for the product in 2024 and will also be conducting a small clinical trial to validate any claims made from a regulatory and reimbursement perspective.



BOARD:
John Brown
(Chair)
Adam Christie
(CEO)
Bruce Vernon
(CTO)
Peter Rees
(NXD, Investor Director)
Michael Crane
(NXD, SE Investor Director)
Zishan Haroon
(NXD)

Date of First Investment:	August 2012
Initial Sum Invested:	£0.5m
Total Invested by Archangels:	£9.3m*
No. of Follow on Rounds:	12*
% Held (fully diluted):	40.2%
Last round Price:	£4.17
Total Invested by All Shareholders:	£17.7m
Archangels observer:	Sarah Hardy

*Includes CLN and ASA funding round in 2023 of £2m, with conversion Longstop date of 15 January 2024

CALCiViS is developing a highly scalable, consumable-based medical device, aimed at enabling and monetising preventive dentistry. The CALCiViS Imaging System (CIS) aims to be the world’s first biotechnology-based dental imaging system, focused on revolutionising the management of tooth decay. After delivering an application of CALCiViS photoprotein, CIS enables dentists and their patients to see active demineralisation ‘live’ as it is happening on a tooth surface. For the first time, this allows sight of how a lesion is progressing and can be used to determine what treatment is required. It can also demonstrate treatment success and that a cavity has been prevented.

COMMENT:
The Food and Drug Administration (FDA) in the USA approved the CIS product in Q1 2023 with the issuance of the PMA (Pre-Market Approval). The business is getting ready to launch in Massachusetts (US nationwide 2024) from the Boston office. The company is bringing together a syndicate to fund the US launch and scale up plans.



BOARD:
Alan Raymond
(Chair)
David Rigterink
(CEO)
Nicola Broughton
(NXD)
Geno Miele
(NXD, Investor Director)
Stewart White
(NXD)
Sharon Brownlow
(NXD)

Date of First Investment:	December 2014
Initial Sum Invested:	£0.1m
Total Invested by Archangels:	£5.4m
No. of Follow on Rounds:	6
% Held (fully diluted):	43.5%
Last round Price:	£9.20
Total Invested by All Shareholders:	£9.4m
Archangels observer:	Sarah Hardy

Cytomos plans to revolutionise cell analysis by bringing understanding to production, and intelligence to process automation, to make cell therapies possible at scale. The underlying Cytomos Dielectric Spectroscopy (CDS) is a proprietary and patented cell analysis technology allowing the unseen to be seen. This unique, full-stack, single-cell resolution analysis platform delivers label-free analytics that promises to radically enhance cell therapy, discovery, and development.

COMMENT:
Cytomos is currently engaging with a variety of different end-users and instrument manufacturers, to demonstrate the value of its platform to build market confidence in the technology and demonstrate its capabilities. The business aims to have its first commercial product next year, having expanded its operational and strategic management team during the past 12 months



BOARD:
Richard Lewis
(Chair)
Genevieve Patenaude
(CEO)
Samuel Fleming
(COO)
Yanping Wolfe
(NXD, Investor Director)

Date of First Investment:	May 2022
Initial Sum Invested:	£1.5m*
Total Invested by Archangels:	£1.5m*
No. of Follow on Rounds:	0
% Held (fully diluted):	30.5%*
Last round Price:	£30.18*
Total Invested by All Shareholders:	£1.5m*
Archangels observer:	Niki McKenzie

*Numbers include tranche 2, expected to be drawn Q4 2023.

Earth Blox (“EBX”) has developed software which provides unparalleled access to satellite imagery and intelligence for earth observation. Currently accessing the significant and increasing volumes of satellite data involves expertise and a considerable amount of coding work. EBX’s highly scalable solution of a drag-and-drop ‘no code’ interface enables users to create and customise their own solutions in minutes, allowing them to build their own model block by block (criteria including specific satellite, region, weather, fire, vegetation, timeline plus others), thereby enabling unprecedented levels of earth observation insights for all.

COMMENT:
The business is building revenues with customers in two beachhead markets – firstly in ‘Nature Based Solutions’ where customers are using EBX to evidence environmental impact. Secondly there is significant interest building from customers who are impacted by the environmental aspects of new financial disclosures regulations.



BOARD:
Alan Johnston
(Chair)
Sarah Lynagh
(CEO)
Martin Ramsay
(CFO)
Max Bylesjo
(Technical Director)
Alastair Strachan
(NXD, Investor Director)
Peter Ghazal
(NXD)

Date of First Investment:	July 2011
Initial Sum Invested:	£0.325m
Total Invested by Archangels:	£1.1m
No. of Follow on Rounds:	4
% Held (fully diluted):	34.3%
Last round Price:	£3.45
Total Invested by All Shareholders:	£2.6m
Archangels observer:	Sarah Hardy

Fios Genomics provides an extensive range of bioinformatics data analysis services to biotechnology, pharmaceutical, contract research organisations and academia. Fios Genomics offers access to a combined resource of in-house bioinformaticians, statisticians and biologists working together to analyse and interpret data. Its team specialises in the analysis of high-dimensional, multi-variant datasets and recognising patterns and trends associated with a trait, disease or drug response for drug discovery and development and applied research across all species.

Fios Genomics’ proprietary solutions allow the analysis of large datasets to be parallelised, saving processing time and avoiding the complications that can arise when analysing data in batches. Combining robust statistics and pathway analysis, they can reveal the biology of clients’ experiments and turn data into useful, relevant and actionable information.

COMMENT:
Fios has invested heavily, increasing its headcount and capability. The business is trading well, with solid growth plans and new client acquisitions this financial year.

Fios continues to work in partnership with Charles River Laboratories offering its clients access to Fios Genomics’ expertise to assist in the sourcing and analysis of datasets associated with drug development including microarrays, next-generation sequencing (NGS), proteomics, metabolomics and epigenetics, as well as the associated meta-data.



BOARD:
Philip Harris
(Interim Chair)
Claudia Freigang
(CEO and Co-founder)
Colin Horne
(CTO and Co-founder)
Niki McKenzie
(NXD, Interim Investor Director)

Date of First Investment:	October 2020
Initial Sum Invested:	£0.7m
Total Invested by Archangels:	£1.4m
No. of Follow on Rounds:	1
% Held (fully diluted):	39.2%
Last round Price:	£10.50
Total Invested by All Shareholders:	£1.8m
Archangels observer:	Niki McKenzie

Hearing Diagnostics has developed a novel hearing screening technology. It is targeted at hearing aid retailers who are looking for new technologies to help them to exploit a growing hearing aid market. Currently the majority of hearing tests are conducted by audiologists, using ‘clicks’ to confirm detection of ‘beep’ sounds which is subjective, error prone and requires sound proofed booths. Hearing Diagnostics’ test uses a head motion sensor, in combination with headphones, for localisation-based hearing screening, which can be completed in a few minutes on the shop floor.

COMMENT:
The commercial version of the product is near complete. The company continues to engage with global hearing aid manufacturers and distributors as well as UK retailers to develop the commercial strategy. The market opportunity continues to grow.



BOARD:
Alan Cox
(Chair and CEO)
Julia Eynon
(Director, Strategy & Growth)
Gary Anderson
(Executive Director)
John Waddell
(NXD, Investor Director)
David Newlove
(NXD)
Alexander Gourlay
(NXD)

Date of First Investment:	June 2004
Initial Sum Invested:	£1.6m
Total Invested by Archangels:	£1.7m
No. of Follow on Rounds:	0
% Held (fully diluted):	17.7%
Last round Price:	£36.00
Total Invested by All Shareholders:	£1.8m
Archangels observer:	David Ovens

Indigo Lighthouse Group (ILG) empowers brands to convert consumers into loyal subscribers with its plug-and-play outsourcing solution for subscription loyalty programmes. The Platform supports the complete customer acquisition and retention journey from deep data analysis to full subscription purchasing, embracing technology like QR codes and specially developed white label apps to directly enroll consumers onto subscription.

Services include rich data insights to facilitate activity that dramatically increases customer annual spend, customer purchase frequency and customer lifetime value.

ILG customers benefit from a sophisticated global multicurrency payments management platform; global supply chain management including warehousing, pick and pack of product and delivery to the end consumer. As well as the management of all forms of customer communications through a multi-lingual and award-winning Customer Communications Centre.

COMMENT:
Indigo Lighthouse has built a proprietary software platform called Starfish and is developing plans to migrate customers over to this. The company continues to trade well and has successfully consolidated its expansion into new verticals, with Vetpost contributing increasingly strong revenues, in addition to the established UK and European contact lens customer base.

The company continues to pay dividends to shareholders.



BOARD:
Chris Gauld
(Chair)
Jean-Christophe Granier
(CEO)
Claud Marquardt
(CTO and Co-founder)
Marco Caffio
(CSO and Co-founder)
Douglas Bain
(CFO)
Ewan McLellan
(NXD, Investor Director)
Helen Adams
(NXD)

Date of First Investment:	November 2020
Initial Sum Invested:	£1.18m
Total Invested by Archangels:	£4.2m
No. of Follow on Rounds:	1
% Held (fully diluted):	21.2%
Last round Price:	£8.60
Total Invested by All Shareholders:	£11m
Archangels observer:	Niki McKenzie

Integrated Graphene has invented, and has a suite of patents pending for a unique breakthrough process to produce a pure 3D graphene foam. The company believes that its manufacturing process enables high quality, cost effective and scalable production; something not achieved by any company to date.

The team is focused on demonstrating its graphene foam in two beachhead markets: human diagnostics electro-chemical biosensor market and super capacitor power storage market.

COMMENT:
The company is scaling production well at its manufacturing base in Stirling. Revenues are building with early biosensor customers and significant interest is building from a broad range of industrial customers for the novel supercapacitor applications.



BOARD:
Ken Fyvie
(Chair)
Miroslav Ravic
(CEO)
Raymond Spencer
(CFO)
Sarah Hardy
(NXD, Investor Director)

Date of First Investment:	February 2010
Initial Sum Invested:	£0.23m
Total Invested by Archangels:	£3.87m
No. of Follow on Rounds:	10*
% Held (fully diluted):	30.3%
Last round Price:	£0.20
Total Invested by All Shareholders:	£9.1m
Archangels observer:	Sarah Hardy

*Includes total CLN of £148.5k, with conversion Longstop date of 29 November 2023

MGB Biopharma (MGB) is a biopharmaceutical company focused on the development of a new class of antibiotic. Its lead candidate, MGB-BP-3, is a potent bactericidal antibiotic with a completely novel mode of action for the treatment of Clostridium difficile Infection (CDI). CDI is a serious and often life-threatening infection of the large intestine and is the most frequent cause of diarrhoea in hospitals and care homes. In the US alone, there are almost half a million cases every year associated with around 30,000 deaths; three people die of uncontrolled CDI every hour.

COMMENT:
Further to its successful Phase II clinical study the company is currently looking to find a development partner to progress the future, necessary, clinical development of its lead candidate. MGB, like other antibacterial companies, has struggled to raise the required funding but it is currently in active dialogue with potential parties that could provide the required investment.



BOARD:
Chris Nash
(Chair)
Neil Tocher
(Joint CEO)
Paul Mooney
(Joint CEO)

Date of First Investment:	October 2011
Initial Sum Invested:	£0.1m
Total Invested by Archangels:	£17.8m
No. of Follow on Rounds:	10
% Held (fully diluted):	62.8%
Last round Price:	£5
Total Invested by All Shareholders:	£23.3m
Archangels observer:	Niki McKenzie

NC Tech captures very high resolution 360 degree street level imagery and 3D data, which allows users to experience the world virtually rather than physically. Its hardware and software capturing and processing systems are proprietary, having been developed in house over a number of years. The business model is to capture data once and resell multiple times.

COMMENT:
NCTech continues to work with a number of large tech businesses providing imagery which is being used for asset tracking, mapping and immersive experiences.



BOARD:
Clovis Younger
(Chair)
Roy McBride
(CEO)
Richard Clarke
(CFO)
Robert Black
(NXD, Investor Director)
David Evans
(NXD)

Date of First Investment:	November 2007
Initial Sum Invested:	£0.4m
Total Invested by Archangels:	£4.2m*
No. of Follow on Rounds:	7
% Held (fully diluted):	42.5%
Last round Price:	£4.75
Total Invested by All Shareholders:	£7.2m
Archangels observer:	Niki McKenzie

*Includes total CLN of £2m, with conversion Longstop date of 31 August 2024

PowerPhotonic designs and manufactures precision micro-optics for the global laser industry. Its products are used in a wide range of applications, including defence, industrial laser material processing, medical systems and optical communications. PowerPhotonic is a pioneer in the use of laser micro-machining for the manufacturing of precision micro optics products. Through its unique capabilities in optical design and fabrication it provides industry leading innovation, functionality and performance, across a growing range of products and applications.

COMMENT:
The business has opened a new manufacturing facility in Tucson, US which will support future growth in the US defence sector. Manufacturing at the new facility commenced in April 2023 and the pipeline of strategic and commercial opportunities is strong in both the US and UK operations.



BOARD:
Richard Lewis
(Chair)
Chris Liversidge
(CEO and Founder)
Phil Andrews
(NXD, Investor Director)

Date of First Investment:	July 2019
Initial Sum Invested:	£1.2m
Total Invested by Archangels:	£2m
No. of Follow on Rounds:	1*
% Held (fully diluted):	13.8%
Last round Price:	£9.25
Total Invested by All Shareholders:	£3.5m
Archangels observer:	Niki McKenzie

*Follow on funding round in progress

Chris Liversidge founded QueryClick as a digital marketing search agency in 2008. Frustrated by the lack of tools to accurately attribute revenue to marketing activity, Chris led the team to develop Corvidae branded software which incorporates proprietary data cleansing tools. Overlaying statistical modelling allows companies to more accurately predict which marketing activity will generate revenue and which will not. Early adopters of the tools have experienced a return of eight times’ investment.

COMMENT:
There continues to be significant interest in attribution solutions as regulations around the use of cookies and tracking technology change. The number of customers onboarded and using Corvidae software is now building and the ROI is being proven. The sales pipeline is strong, with a mixture of large blue-chips. The team has also signed a number of distributor agreements.



BOARD:
Iain Mackay
(Chair)
Jacqui McLaughlin
(CEO)
Eleanor Barnard
(CFO)
Mark-Paul Buckingham
(NXD)
Alastair Hogg
(NXD, Investor Director)

Date of First Investment:	April 2004
Initial Sum Invested:	£0.26m
Total Invested by Archangels:	£2.9m
No. of Follow on Rounds:	7
% Held (fully diluted):	47.8%
Last round Price:	£35.00
Total Invested by All Shareholders:	£4.6m
Archangels observer:	Sarah Hardy

Reactec is a spinout business from the University of Edinburgh and has built a reputation as the leader in Hand Arm Vibration (HAV) risk management. The automation and analysis of the large data sets being gathered by its vibration monitoring technologies has positioned the company to be the leading connected worker health & safety platform.

Reactec’s platform monitors employees’ exposure to a growing number of health hazards in the workplace. Wearable devices allow customers to monitor exposure to risks such as HAV, noise and dust or keeping workers safe through social distancing or exclusion zones.

COMMENT:
The launch of R-Link, a third-generation workplace wearable with expanded functionality, has delivered strong sales in 2023. Feedback from early customers using R-link has been positive, resulting in new market opportunities. The company continues to trade with significant recurring revenue. The sales pipeline is strong with increasing international interest.



BOARD:
Gregor Hofer
(CEO and Co-founder)
Michael Berger
(CTO and Co-founder)
Doug Montgomery
(NXD, Investor Director)
Michael Graninger
(NXD)

Date of First Investment:	August 2018
Initial Sum Invested:	£2.0m
Total Invested by Archangels:	£2.9m
No. of Follow on Rounds:	2
% Held (fully diluted):	15.8%
Last round Price:	£10.90
Total Invested by All Shareholders:	£9.2m
Archangels observer:	David Ovens

Based on over 20 years of R&D in speech technology and procedural facial dynamics, Speech Graphics’ software produces high-quality facial animation from audio alone, with no need for motion capture. Speech Graphics delivers pioneering facial animation technology to the entertainment industry, working with most of the major games studios. The company has developed a scalable web platform which will allow developers and partners to create avatars capable of engaging and interacting with individuals in real-time.

COMMENT:
The company has continued to see strong revenue growth in the games business, while also focusing on the ongoing development required to scale and commercialise its Rapport web platform

During the year, the company has secured a number of contracts for Rapport, with strong interest coming from the training and education markets.



BOARD:
Martin Ritchie
(Chair, Investor Director)
Andy Davis
(CEO)
Martin Gray
(Director)
Alan Fraser
(NXD)

Date of First Investment:	June 2006
Initial Sum Invested:	£0.28m
Total Invested by Archangels:	£0.74m
No. of Follow on Rounds:	3
% Held (fully diluted):	30.3%
Last round Price:	£18.26
Total Invested by All Shareholders:	£1.47m
Archangels observer:	David Ovens

Trig Avionics is a leader in the design and manufacture of aircraft avionics for general aviation. With an expertise in compact and innovative technology, Trig provides aircraft owners with transponder and radio communications equipment that is smart, affordable and future proof.

Trig manufactures in the UK – sustaining highly skilled jobs working with a global network of over 700 Approved Trig Dealers in 42 countries around the world.

COMMENT:
The company continues to see stable demand across its range of products. However, it has experienced some issues in its supply chain during the year, in common with many other companies in its markets.

EXECUTIVE
TEAM

Archangels is run by a team of senior executives, all of whom have had many years’ of experience in funding high-growth companies.



NIKI MCKENZIE

E: niki@archangelsonline.com

Joint Managing Director

Niki joined Archangels in 2011 and has overall oversight of the investment portfolio.

She is a Chartered Accountant with a strong background in Corporate Finance from roles with KPMG and Lloyds Banking Group.

Niki is a non-executive director of St Andrews Innovation Ltd, the commercialisation arm of the University of St Andrews.



DAVID OVENS

E: david@archangelsonline.com

Joint Managing Director

As well as having responsibility for the day to day management of Archangels’ business, David also has responsibility for a number of the portfolio companies.

David is an experienced corporate financier and investment banker, having worked for Samuel Montagu & Company Limited, Noble Grossart Limited and Noble & Company Limited, before setting up Invercap, a corporate finance and investment firm based in Edinburgh. He is Chair of Scottish Athletics and a non-executive director of LINC Scotland, the trade association for angel investors in Scotland.



SARAH HARDY

E: sarah@archangelsonline.com

Director, Head of New Investments

Sarah has extensive experience of financing early-stage opportunities in the technology sector, with specific focus on life science and the healthcare arena. Before joining Archangels, Sarah worked at Wellcome Trust, Advent Life Sciences venture team and Parke-Davis Neuroscience Research Centre.

Sarah has responsibility for the new investments into the portfolio and the management of several of the portfolio companies. She is on the board of Social Growth Fund (Social Investment Scotland), the Data-Driven Innovation Delivery Board for the City Region deal and a Trustee of the Roslin Foundation.



SHAOLEI MCKIE

E: shaolei@archangelsonline.com

Senior Investment Manager

Shaolei is a Chartered Accountant who specialised in leveraged finance and fund investments within Bank of Scotland Corporate Banking division. She was latterly the financial controller of Corran Properties.

Shaolei joined Archangels in 2017, and provides investment analysis and support for fund raisings and exits.



DAN MCKIDDIE

E: dan@archangelsonline.com

Investment Manager

Dan is a Chartered Account and worked at PwC for eight years. Dan began his career in financial audit, before moving to the Transaction Services team. Latterly, Dan joined Inverleith LLP as an Investment Manager, before joining Archangels in 2023. He provides investment analysis and support for fund raisings and exits.

He holds a Masters degree in Mechanical Engineering from the University of Glasgow.



LINDSAY MILLER

E: lindsay@archangelsonline.com

Office Manager

Lindsay joined Archangels in 2015 and is responsible for finance, company secretarial and event management activities, as well as the day-to-day running of the office.

She holds an honours degree in Immunology & Microbiology from Strathclyde University.

VALUES



We are *aligned*

Through the way that we're structured, our ambitions and our objectives, we are aligned with the interests of both our member investors and our portfolio companies.



We are *connected*

We bring together the skills and experience of our members, our extensive network and our portfolio companies, to achieve the best outcome for the businesses we support.



We act with *integrity*

We are transparent in all our business dealings, applying a consistent approach to the investment process, which our investors and portfolio companies can rely upon.



We are *professional*

From the rigour of our due diligence to the method of our investment process, we act with the highest degree of professionalism across every aspect of our operation.



We work in *partnership*

We provide support through thick and thin to help our portfolio companies achieve their ambitions and to maximise returns for our investors.



We are *committed*

As a dedicated investor in Scotland's next generation of entrepreneurs and innovators, we are deeply committed to our long-term role in maximising investor returns, building and nurturing successful businesses and helping Scotland prosper.



ENQUIRIES

GENERAL ENQUIRIES:

0131 221 9876

FUNDING APPLICATIONS:

investment@archangelsonline.com

MEMBERSHIP ENQUIRIES:

membership@archangelsonline.com

FOLLOW US ON TWITTER

@ArchangelInvest

Archangel Investors Limited
20 Rutland Square
Edinburgh
EH1 2BB

archangelsonline.com

Member of

