

NEWS RELEASE

Foresight invests £2.5 million into Sprint Electric to support product development

- Sprint Electric is a well-established designer and manufacturer of variable speed drives for controlling light and heavy industrial motors
- Foresight has invested £2.5 million to support the growth and development of the Company - £500,000 through the Midlands Engine Investment Fund alongside £2 million from Foresight VCTs
- Sprint Electric currently addresses the £370 million per annum direct current variable speed drives market; with this investment, it plans to target the £16 billion per annum alternating current variable speed drives market

12 April 2023: Foresight Group (“Foresight”), a leading listed regional private equity and infrastructure investment manager, has invested £500,000 through the Midlands Engine Investment Fund (“MEIF”), alongside £2 million from its VCTs, into Sprint Electric Limited (“Sprint Electric” or “the Company”).

Sprint Electric designs and manufactures drives for controlling industrial motors. The investment will enable the final development and commercialisation of a new range of variable speed drives (“VSD”) for the alternating current (“AC”) motor market, with power regeneration capability that increases energy efficiency. The new product will also provide access to the large AC VSD market – estimated to be valued at £16 billion per annum.

Sprint Electric has worked with the University of Nottingham as part of a Knowledge Transfer Partnership – a UK-wide, part grant-funded scheme helping businesses of all sizes to innovate using the knowledge and expertise of UK universities. The Company currently employs 18 people and, in 2022, reported £3 million in sales. Working with Foresight, Sprint Electric plans to use the investment to scale its operations and drive growth.

At investment, Tim Routsis will join the board as Non-Executive Chair. Tim’s background includes 10 years as Managing Director of automotive engineering company Cosworth and eight years as CEO of Cox Powertrain. His expertise will help the Company grow and significantly increase its market share.

Commenting on the investment, **Gary Keen, Co-Managing Director of Sprint Electric, said:** *“We are excited to work with an investment partner who shares our passion for green energy and understands the potential of the drive technology we have developed with our colleagues at the University of Nottingham. We welcome the appointment of Tim to the board and the wealth of experience he has in leading cutting-edge engineering businesses. This will be invaluable as we commercialise the new product range, expand our operations footprint and accelerate our sales growth.”*

Hugh Minnock, Investment Director at Foresight, added: *“It is great to support Sprint Electric as they look to bring a new product to market. With our investment and support, the team will be in a great position to benefit from the potential market opportunities. We*

look forward to working with Mark, Gary, Tim and the rest of the team to enable the next phase of their growth.”

Tim Routsis, Chair, concluded: *“I am delighted to join the Sprint Electric team at such an exciting time in the Company’s history. With Foresight’s support, Sprint Electric is in a good position to bring new products to market. This will materially grow the business, which already has an impressive export record.”*

Mark Wilcockson, Senior Investment Manager at the British Business Bank, said: *“The Midlands Engine Investment Fund backs innovative SMEs, many of which are university spin-outs. Sprint Electric is a Midlands-based company with growth potential and the funding will enable the Company to accelerate these ambitious plans, further develop its cutting-edge technology, and drive wider economic growth in the Midlands region.”*

Will Morlidge, Chief Executive at the D2N2 Local Enterprise Partnership, said: *“Promoting low carbon growth is one of D2N2’s key priorities. It’s fantastic to see our business community working so closely with our university sector on such vital work. I hope other businesses follow Sprint Electric’s lead and access the support that’s available from MEIF and from our innovation ecosystem.”*

In calendar year 2022, Foresight made over 90 investments into SMEs and, since launching MEIF in 2018, Foresight has supported 29 SMEs in the East and South East Midlands. Foresight, in partnership with MEIF, supports promising SMEs to achieve their business objectives and has enabled 379 high-quality, local jobs to be created to date.

The Midlands Engine Investment Fund project is supported financially by the European Union using funding from the European Regional Development Fund (“ERDF”) as part of the European Structural and Investment Funds Growth Programme 2014-2020 and the European Investment Bank.

-ENDS-

Advisers to Foresight:

Financial Due Diligence by Azets Holdings Limited
Legal Counsel and Due Diligence by RW Blears
Management Due Diligence by Catalysis Advisory Limited
Cyber Due Diligence by KryptoKloud Limited
Insurance Due Diligence by Vista Insurance Brokers Ltd
Recruitment by Bailey Fisher

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About Foresight Group

Foresight Group was founded in 1984 and is a leading listed infrastructure and private equity investment manager. With a long-established focus on ESG and sustainability-led strategies, it aims to provide attractive returns to its institutional and private investors from hard-to-access private markets. Foresight manages over 350 infrastructure assets with a focus on solar and onshore wind assets, bioenergy and waste, as well as renewable energy enabling projects, energy efficiency management solutions, social and core infrastructure projects and sustainable forestry assets. Its private equity team manages eleven regionally focused investment funds across the UK and an SME impact fund supporting Irish SMEs. This team reviews over 2,500 business plans each year and currently supports more than 250 investments in SMEs. Foresight Capital Management manages four strategies across six investment vehicles with an AUM of £1.4 billion.

Foresight operates across seven countries in Europe and Australia with AUM of £12.3* billion. Foresight Group Holdings Limited listed on the Main Market of the London Stock Exchange in February 2021. <https://www.foresightgroup.eu/shareholders>

*Based on Foresight Group unaudited AUM as at 31 December 2022.

About the Midlands Engine Investment Fund (MEIF):

The Midlands Engine Investment Fund, supported by the European Regional Development Fund, will invest in Debt Finance, Small Business Loans, Proof-of-Concept and Equity Finance funds, ranging from £25,000 to £2m, specifically to help small and medium sized businesses secure the funding they need for growth and development.

The Midlands Engine Investment Fund is operated by British Business Financial Services Limited, wholly owned by British Business Bank, the UK's national economic development bank. Established in November 2014, its mission is to make finance markets for smaller businesses work more effectively, enabling those businesses to prosper, grow and build UK economic activity.

The Midlands Engine Investment Fund is supported by the European Regional Development Fund, the European Investment Bank, the Department for Business, Energy and Industrial Strategy and British Business Finance Limited, a British Business Bank group company.

The MEIF covers the following LEP areas: Black Country, Coventry & Warwickshire, Greater Birmingham & Solihull, Stoke-on-Trent and Staffordshire, The Marches, and Worcestershire in the West Midlands; and Derby, Derbyshire, Nottingham & Nottinghamshire (D2N2) Greater Lincolnshire, Leicester and Leicestershire, and South-East Midlands in the East and South-East Midlands.

The project is receiving up to £78,550,000 of funding from the England European Regional Development Fund as part of the European Structural and Investment Funds Growth Programme 2014-2020. The programme will continue to spend to the end of 2023.

The Ministry for Housing, Communities and Local Government is the Managing Authority for European Regional Development Fund. Established by the European Union, the

European Regional Development Fund helps local areas stimulate their economic development by investing in projects which will support innovation, businesses, create jobs and local community regenerations. For more information visit: www.gov.uk/european-growth-funding.

The Government has guaranteed all funding allocated through EU programmes until the end of 2020: <https://www.gov.uk/government/news/funding-from-eu-programmes-guaranteed-until-the-end-of-2020>

The European Investment Bank is providing £122,500,000 to support the Midlands Engine Investment Fund. This follows backing for the Northern Powerhouse in 2017 and backing for the newly launched North East Fund. For further information visit www.eib.org

The funds in which Midlands Engine Investment Fund invests are open to businesses with material operations in or planning to open material operations in the West Midlands and East & South-East Midlands.

About the British Business Bank (BBB):

The British Business Bank is the UK government's economic development bank. Established in November 2014, its mission is to drive sustainable growth and prosperity across the UK, and to enable the transition to a net zero economy, by improving access to finance for smaller businesses. Its remit is to design, deliver and efficiently manage UK-wide smaller business access to finance programmes for the UK government.

The British Business Bank's core programmes support over £8.5bn^[1] of finance to almost 95,000 smaller businesses^[2]. Between March 2020 and March 2021, the British Business Bank was responsible for running the government's Coronavirus business loan schemes, delivering £80.4bn of finance to 1.67m businesses.

As well as increasing both supply and diversity of finance for UK smaller businesses through its programmes, the Bank works to raise awareness of the finance options available to smaller businesses. The [British Business Bank Finance Hub](#) provides independent and impartial information to businesses about their finance options, featuring short films, expert guides, checklists and articles from finance providers to help make their application a success. In light of the coronavirus pandemic and EU Exit, the Finance Hub has expanded and it now targets a wider business audience. It continues to provide information and support for scale-up, high growth and potential high growth businesses, but now provides increased content, information and products for businesses in survival and recovery mindsets. The Finance Hub has been redesigned and repositioned to reflect this, during this period of economic uncertainty.

British Business Bank plc is a public limited company registered in England and Wales, registration number 08616013, registered office at Steel City House, West Street, Sheffield, S1 2GQ. It is a development bank wholly owned by HM Government. British Business Bank plc and its subsidiaries are not banking institutions and do not operate as such. They are not authorised or regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). A complete legal structure chart for the group can be found at www.british-business-bank.co.uk

[1] Figures as at 31 March 2021

[2] Figures as at 31 March 2021