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NEWS RELEASE

Scottish investment groups unite to provide laser technology university spin-out with £500,000 backing

21 December 2015

A group of leading Scottish investors has come together to make a £500,000 investment in Chromacity – a university spin out company which makes lasers for the life-sciences industry and spectroscopy market.

The investment was led by EOS Technology Investment Syndicate, which was joined by business syndicate Kelvin Capital and matched funding from Scottish Enterprise's investment arm, the Scottish Investment Bank (SIB), through the Scottish Venture Fund. Investing Women Angels, the syndicate of female entrepreneurs, has also contributed to the initial funding round.

Chromacity, a spin out from Heriot-Watt University, has developed unique tunable lasers for life-sciences microscopy, with industrial and scientific applications. As well as laser technology, the company's embedded web server allows wireless operation from any laptop, tablet or smartphone.

Chromacity Managing Director Dr Christopher Leburn said: "We are delighted to have been able to secure this funding package for Chromacity, allowing us to grow the team and ramp up our manufacturing capabilities. We are about to launch a new product to the market and the confidence of the investors in the company, as well of course as the funding itself, is a tremendous boost to Chromacity as it enters this extremely exciting phase of its development."

The investors were advised by the start-up and investment team at leading law firm Harper Macleod, with the investment benefiting from both the Seed Enterprise Investment Scheme (SEIS) and the Enterprise Investment Scheme (EIS), which offer a tax efficient way of encouraging investment in small and start up businesses.

The total investment is in excess of £520,000 and provides growth capital for the company to increase its development capacity as it commercialises the technology for a wider range of applications.

EOS, a St Andrews-based syndicate, provides seed funding for early stage science and technology businesses and focuses on Scottish-based companies, often university spin-outs.

Kevin Grainger, co-founder and gatekeeper for EOS, said: "This is the third investment we have completed since we started a year ago, and is the first we have done in conjunction with Kelvin Capital and Investing Women. We are delighted to have come together with other likeminded syndicates to put a package together for such an innovative business as Chromacity. It is a great example of the Scottish angel ecosystem working closely together to help fund exciting new businesses such as Chromacity."

Jim Hall, from Kelvin Capital, said: "We are delighted to have worked with EOS and Investing Women for the first of what I hope is many deals going forward. Not only were we able to quickly raise in excess of £500k through our combined member base but we now have the support networks and contacts of all three groups to support this business going forward which is a huge value add to the

company."

Kerry Sharp, Head of the Scottish Investment Bank said: "Chromacity is the type of highly innovative technology company that we want to see growing in Scotland. This investment will help the company expand its product range and ultimately achieve its growth and export ambitions. It will also further strengthen Scotland's photonics sector which continues to garner international respect and recognition."

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