

Young Company Showcase 2019

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Young Company Finance (YCF) has published a monthly magazine reporting the emergence and progress of early stage, high growth companies in Scotland for over 17 years. The magazine focuses upon how such companies finance their development from start-up to maturity, but also reports news about senior appointments, business awards, product launches, and sales successes - in short, any of the milestones which such companies must pass on their way to profitability.

We are delighted to be able to give some of the next generation of emerging companies the opportunity to promote themselves at our Annual Conference, explain their business propositions to delegates, and participate in the conference programme.

Rather than describe the technologies in detail, this Showcase publication focuses especially on the business credentials of these new companies - the markets they are trying to reach and the ways in which they plan to reach them.

- *Jonathan Harris, Editor
Young Company Finance
editor@ycf.co.uk*

Exhibitors:

- ♦ Airdecks
- ♦ IndiNature
- ♦ MiX
- ♦ Mocean Energy
- ♦ Power a Life
- ♦ Soar
- ♦ Turtle Pack
- ♦ uFraction8
- ♦ U>P

*The Airdecks system is
an alternative to scaffolding.*



The system is strong, safe, lightweight and of modular design making it easy to transport and very quick to erect. The Airdeck causes no obstructions to pedestrians or vehicles, requires no permits and is fully certificated to the safe working load.

Competitive advantage

Our main competitors are scaffolding companies but the Airdecks system is by far a more user friendly product, easy to erect, 92% built from the ground, extremely cost effective compared to scaffolding, requires a fraction of the storage space compared to scaffolding, lightweight in design making it easy to transport in smaller vehicles (even in the rear of a car), requires no permits when erected on the public highway, reduces workforce for erecting the system and is built in a fraction of the time compared to scaffolding.

Target markets

Initially we are targeting B2B via trade companies selling to end users, but we can see that B2C will be a requirement in the future.

Stage of development

The Airdecks system has been developed from initial conception in 2015 having seen numerous prototypes made until today where we have the finished article. The Airdeck system is patent pending and trade marked and after a number of years in searching we have secured a deal with a fully accredited ISO CE marked fabricator in Sheffield that is making the Airdeck product to a very high standard. We now feel we have a complete product and a fabricator who can deliver on volume and we can now confidently take the Airdecks system to market.

Team

Craig Smith: Managing Director

Eileen Smith: Financial Director

Lewis Smith: Design Director

Company data

Started trading:

Number of employees:

Turnover: 4

Contact

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Manufacturing the world's only 100% natural construction insulation system made from local crops and novel biotechnology

A Top 6 European Cleantech Startup, IndiNature is raising investment to set up the first factory in the Scottish Borders, with a global replication model. Currently going to term sheets for seed round – still open.



Competitive advantage

Strong USPs allow **premium pricing**, but with an **ability to underprice** competition if necessary (1/8 energy input costs of competitors, plus using local and low value raw materials). **Zero plastics** – the only company globally not using petroplastics to bind fibres. Entering an established and growing natural insulation market in UK. Growing global **policy and market drivers** (carbon, plastics, waste and health). **Zero waste**: circular business model, ability to re-use or reprocess products or in worst case 'hot' compost. Zero toxins. **Net carbon storage** – more carbon stored via photosynthesis than the amount needed to make products. Expanding IP and suite of products – including **novel bioplastic** and structural boards. Replaces existing products like for like. High thermal performance. Better fire resistance than foam insulations.

Target markets

£40 billion global TAM; £760m in UK. B2B direct and indirect – business plan includes new fast-emerging routes to market bypassing conventional distributors. Architects specify products.

Stage of development

Market ready products – the company's barrier to market is the purchase of machinery because outsourcing not possible. Prototypes made on scale and installed in a building. Launched at trade show this year. Sales pipeline of £200,000+. Grants and friends and family cash secured to date of £250k. Moving to term sheet with seed investors – round still open.

Team

Scott Simpson: Managing Director.
MSc Architecture. Materials specialist. Bus. accelerator alumni.

Gary Deans: Finance Director.
Ex-KPMG. Owns business consultancy.

Confidential Name: Commercial Advisor.
Ex Superglass comm director. 30 yrs construction sales.

Sam Baumber: Development Director.
Enterprise replication experience across several countries.

Ewan Mealyou: Chair.
MSc Bus. Mgmt. 30 years senior business management.

Susanna Gray: Business Development Manager.
MA Hons Bus. Studies. 15 yrs experience.

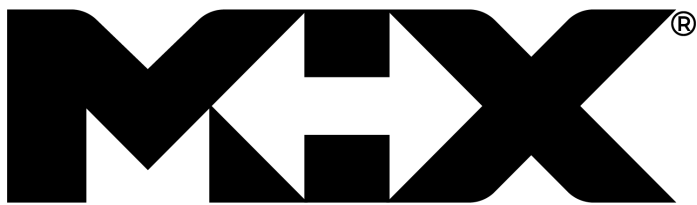


Company data

Company:	IndiNature
Started trading:	November 2016
Number of employees:	team of 5
Turnover:	pre-revenue
Shareholders:	3 (directors)

Contact

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M:X® provides tailored fluid intake to match hydration and energy needs.

A NEW SIDE TO HYDRATION.

AS D-Zine Ltd's sole focus is the launch of our M:X dual hydration system. When plain water is not enough, the user can M:X it up™, rehydrate and be rewarded with a range of delicious flavours, without fear of contaminating their water source.

Competitive advantage

The device is patent pending and has various USPs. The functionality and ease of use is a differentiator over other hydration products available. Further to this our scientifically formulated refills provide exactly what the user needs when they need it. We will continue to innovate to remain ahead of the competition and have a clear strategic roadmap of how the product offering will evolve. Below is a picture of the product and refills.



Target markets

Our beachhead market is British outdoor sports hydration/nutrition market with the entry point being mountain biking. From here we will expand into the likes of trail running and hillwalking. A secondary market which has great potential is the military sector. We plan to initially sell directly to soldiers through stores such as JayJays in Brecon and Drop Zone Supplies in Catterick with our sights set on getting the product through military procurement via DE&S Abbeywood.

Stage of development

We currently have a fully functioning prototype, have completed the design for manufacture stage and the first of the injection moulding tools will start trials early September 2019. We have samples of the sports drinks and have ordered the first batch of pouch packaging. We already have groups interested in trialling it, including a few military units.

Team

Andrew Davidson is currently the sole director of AS D-Zine Ltd and inventor of M:X. Andrew has a strong, trusted, adviser network around him and has identified people to fill key roles as the company grows. Andrew has developed the product range and brand from concept to its present stage with input from various subcontractors who have been sourced and managed. Throughout the development journey the product has won various competitions and awards including Young & Wildcard Scottish EDGE, The Scottish Mountain Bike Product Innovation of the Year, and various others. Andrew is also an RSE Enterprise Fellowship alumnus.

Company data

Started trading:	incorporated June 2015
Number of employees:	1
Turnover	n/a
Shareholders:	currently Andrew Davidson owns all shares

Contact

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Mocean Energy is developing a small-scale ocean wave energy converter, called Seabase, to power subsea equipment in oil and gas and offshore renewables.

Applications include powering O&G wells when umbilicals fail, and residential autonomous underwater vehicles for inspection. Our R&D has been funded with £4m from Wave Energy Scotland.

Competitive advantage

Wave energy has a niche at providing medium-scale, kilowatts, of renewable power offshore. Solar power is appropriate for low power applications that require 1-100 watts. To power large offshore platforms, floating offshore wind can provide megawatts. But neither are technically appropriate at medium scale.

Within wave energy, our advantage is performance. Our Seabase wave energy converter has a unique geometry that causes it to absorb more energy for its size. A machine the size of a shipping container can provide 50 kilowatt hours of energy per day. Compare that to our competition: Ocean Power Technologies' PowerBuoy provides only 8 kilowatt hours per day.

The performance of our wave energy converter arises from our underlying competitive advantage which is our design process – we developed in-house numerical models that optimise geometry using routines such as the genetic algorithm. New designs are rapidly prototyped and tested in wave tanks to validate performance at low cost.

Target markets

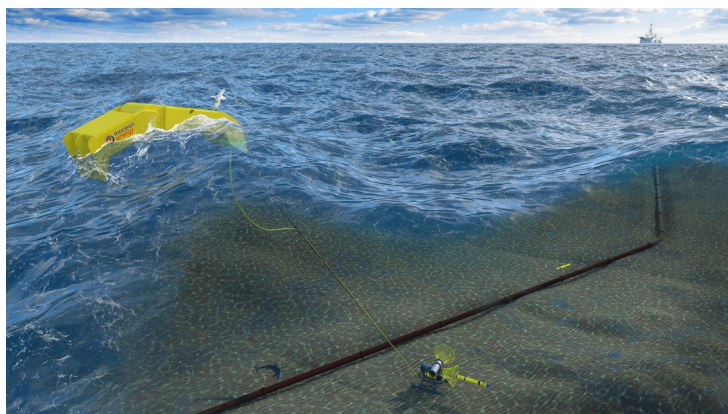
Our beachhead market segment is umbilical failures. Seabase will provide power to subsea O&G wells when the electrical umbilical fails. When the umbilical fails, the wells stop producing; repairing the umbilical costs £100k-1M or more. The value of Seabase is that it is an alternative to expensive repairs and significantly reduces lost revenue, saving O&G operators millions.

O&G operators are the end users, but we intend to partner with a company in the supply chain to provide the product. This may be a licensing arrangement or a joint venture.

Stage of development

We currently have a £3.3m project from Wave Energy Scotland to build and test a prototype. Fabrication is just beginning, and we will test in Orkney next year. This will put us at TRL 6.

We just completed a start-up accelerator called TechX run by the Oil & Gas Technology Centre. Through that, we carried out customer interviews with O&G operators and supply companies to validate our value proposition. We are on the verge of securing a field trial with an operator to test our technology with a real customer application.



Team

Cameron McNatt is the Managing Director. He has a PhD in hydrodynamics and a background in computer programming and was the creator of Mocean's in-house design software. He leads business development and participated in the TechX accelerator.

Chris Retzler is the Technical Director. Chris was a co-founder of and the Principal Scientist at Pelamis Wave Power. He brings a wealth of knowledge and experience from Pelamis that has helped in our technical and commercial approaches.

Non-exec **Andrew Coleman** is an experienced entrepreneur, angel investor, and mentor. He has been instrumental in corporate governance, sales and marketing, and company strategy.

Company data

Date started trading:	December 2015
Number of employees:	5
Turnover:	£1.5 million
Shareholders:	Founders, friends, and family

Contact

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Power a Life is an impact mobile accessories company

*For every power bank the company sells, a solar light is gifted to a child in a developing country, 1 for 1.
The company's main route to market is corporate gifting.*

Competitive advantage

The power banks which Power a Life sells are full of the latest in charging technology and are extremely high quality compared to the rest of the power bank market. In addition, the gift of a solar light with each unit sold is unique in the market.

Target markets

The company's main route to market is corporate gifting with SMEs and global corporates. To date, the company has achieved sales with Chivas, Pernod Ricard, BP, Oil and Gas UK, Jacobs, and Santander amongst others and is in advanced discussions with American Express and Swisscard to use the company's power banks for credit card rewards programmes across Europe.



Stage of development

Power a Life is an early stage trading company with fully developed product range which was developed during 2018. Initial sales traction in 2019 has been found with corporate customers who have purchased our power banks as either client and event gifts or internal team gifting. The company is now refining its corporate sales strategy having secured initial orders from significant customers and is further building out a sales pipeline.

Team

Jeremie Warner: Founder/CEO -

Jeremie founded Power a Life in 2017 after completing his studies at Strathclyde. He lived off grid with rural villagers in Senegal for over one month as part of his degree and it was during this trip that the idea for the company originated. Jeremie has a successful track record in ecommerce, B2B sales and social enterprise.

Paul Rafferty: Business Development

Paul joined the team in early 2019 and has supported Jeremie in B2B sales. Paul has secured listings with two UK corporate gift distributors and secured sales with a number of global corporates.

Company data

Started trading:	August 2018
Number of employees:	2
Turnover:	First year trading £44k, second year sales target £115k
Shareholders:	Jeremie Warner and angel investors

Contact

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*Empowering ethical financial
institutions*

Through the right technology, the right digital channels and an easy to use platform, Soar empowers ethical financial institutions to grow, operate efficiently, and compete effectively in the financial services market.

Competitive advantage

Soar currently provides credit unions in the UK with mobile technology, online banking and an advisor hub that supports back office operations. While we are not the only technology supplier in this industry, we do have some factors that give us a competitive edge. Soar is a modern, cloud-based digital banking platform with a Monzo-like mobile app. We also supply our customers with turnkey services to support their entire digital journey. Some of the additional services we offer are website design, marketing consultancy and security support. Soar operates with open API's and we are currently developing a fairer lending process that will allow ethical institutions to offer affordable credit without damaging the applicants credit rating.

Target markets

Soar is targeting the ethical finance sector in the UK. This consists of 437 credit unions, 43 building societies, 50 CDFIs.

Our business development team targets the senior employees and board members of these organisations. We are also setting our sights on the Irish credit union market as well as making plans to take our technology to the United States.

Stage of development

Soar's technology is well established in the UK and is currently being operated by a number of credit unions. We have secured 10 UK credit unions customers and we are in talks with a number of CDFI's. We have completed our first few phases of development and are now onto the next stage of our journey where we'll be inputting our straight-through loan application process into our technology. This stage is pivotal for us as we will be cutting the time and cost of loan applications to our customers, and we'll also be offering a solution that will allow for fairer lending.

Team

Andrew Duncan: CEO and founder of Soar. He has been building and growing companies since his mid-twenties and is a globally recognised specialist in technology and app development.

Eva Luckhiram: Chief Product Officer. Her knowledge and experience of product design and app development has been instrumental in building the Soar product.

Paul Theurer: Chief Technology Officer, leading all technological innovation at Soar. Paul has experience of leading technological development in both multi-national organisations and small enterprises.

Company data

Started trading:	May 2017
Number of employees:	15
Turnover:	£500,000
Shareholders:	2

Contact

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Turtle Pack is revolutionising the way children learn to swim with our innovative and award-winning swimming aid.

With a unique and fun design that puts an end to tears and tantrums in the pool, Turtle Pack turns the process of learning to swim into a fun adventure for kids aged 2+.

Competitive advantage

Turtle Pack Swim Aid competitive advantage:

- arms free
- fun and unique design; neoprene vest ensures comfort and stability in the water
- progressional
- multi-functional
- promotes correct body position

Whilst the company offers a superior product, the advantages do not stop there. With third party licensing opportunities and a swim school franchise model, the Turtle Pack brand is already expanding rapidly. Coupled with the range of award-winning products, this provides a distinct competitive advantage within our marketplace.

Target markets

Turtle Pack sells directly to customers via our website (www.turtlepack.com/shop/), to trade customers such as swim schools, leisure providers and local authorities, and to international distributors who sell Turtle Pack in their respective global territories.

Turtle Pack has a three-phase export market strategy. Stage 1 aims to secure a foothold in our home market of the UK and explore Germany, the latter being a high leisure spend country and investor in learn-to-swim products. Stage 2 aims to create a base in Australia, a country that has a culture and way of life geared to our products. Stage 3 aims to see Turtle Pack in the USA, a lucrative market with a TAM value of £1.2bn alone.

Stage of development

The company has been trading since January 2019 and has a healthy pipeline of both B2B and B2C customers in the UK, continental Europe and beyond. Since launching, the company has sold to over 23 countries worldwide.

The Turtle Pack Swimming Aid, the company's flagship product, has passed rigorous safety testing (to both EN71 Toy Standard and EN13138 Buoyant aids for Swim Instruction standards), and has also won a number of high-profile business and design awards.

In addition to initial B2B sales from the UK, Europe and Japan, customer trials are currently underway with a number of national and international swimming lesson providers.



Team

Ryan Carenduff, Chief Executive Officer

Michael Harkins, Founder

David Sherman, Chief Marketing Officer

Michael Harkins is the credibility behind the brand given he has worked as a swimming teacher for over ten years. He is joined by CEO Ryan Carenduff, who has previously run a number of successful businesses and founded the UK's first sports-based business incubator "The Sport Hive". They are joined by Chief Marketing Officer David Sherman who has over ten years' experience working in marketing roles in fast-growing start-up companies. The company expects to grow the team further within the next six months.

Company data

Started trading: January 2019

Number of employees: 3

Shareholders: 3

Turnover: n/a (started trading this year)

Contact

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Scalable, energy efficient
bioprocessing

Competitive advantage

The only company in the world to offer a scalable solution using passive microfluidics, to achieve unique cost and operational advantages to customers.

Target markets

uFraction8 operates B2B targeting operators of industrial bioproduction facilities using cell culture based production methods. Typical cell types used for production are yeast, microalgae, bacteria and mammalian cells for products such as beer, insulin, nutraceuticals, pigments, animal and human food and feed, pharmaceuticals and fine chemicals. SAM of £2B annually.

Stage of development

uFraction8 has tested prototypes with research institute partners and has generated high levels of interest from local and global operators. Recently a 1/4 MVP scale instrument was tested and work is now directed at manufacturing supply chain development.

Team

uFraction8 founders, **Dr Brian Miller** and **Dr Monika Tomecka** have led the company through a string of successes, winning several awards and competitions including AkzoNobel's Imagine Chemistry, Scottish EDGE Higgs award, SMART feasibility and H2020 SME Instrument. This has allowed uFraction8 to progress technology development to demonstrate successful pilot prototype. The founders' skills in engineering and microfluidics coupled with biological sciences and genetic engineering respectively cover all technical aspects for progressing the technology.

Company data

Started trading:	April 2018
Number of employees:	3
Turnover:	£40k
Shareholders:	Heriot Watt Uni. (20%), Deep Science Ventures (10%), 2 founders (70%)

Contact

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U>P - unlocking more than potential

U>P optimises business networks to maximise performance, innovation and growth

Competitive advantage

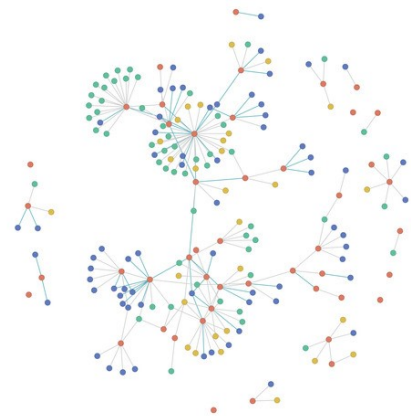
People analytics and Organisational Network Analysis are part of a \$1.9m HR analytics global market. Our USP is that we use social capital, basis for any form of collaboration, as a framework to provide deep insights into the culture of an organisation, with a focus on the quality of the network of relationships as much as the quantity. This allows us to provide over 50 different combinations to filter and interrogate the data on U>P's dynamic dashboard and reporting function, which can provide visual (see sample network map below) and quantifiable insights into the characteristics high performing teams, advisory scores for pre-acquisition, mergers and high growth and cultural compatibility, such as gender equality"

Target markets

U>P is a SaaS B2B business data analysis platform.

We reduce costs and increase revenue for clients by delivering services that enable companies to maximise performance and respond to change effectively.

Our target markets cover challenges such as Post Merger Integration, talent acquisition and retention, and wellbeing and social impact.



Stage of development

U>P is a new spinout that has just been registered.

The parent company already had a number of clients using U>P to demonstrate social impact.

U>P is beginning trials with commercial clients in the business service sectors.

Team

Colin Campbell: Colin is the CEO and founder. He has worked in Scotland and internationally for over 20 years, supporting companies, community organisations and government agencies to use social capital to deliver lasting change and maximise impact.

Licia Claveria: Licia has HNDs in Business Management and Tourism from Barcelona. She is highly skilled in business operations, keeping the office and team running smoothly, even in the challenging world of a start-up.

Greg Muszynski: Greg has a 1st Class Honours Degree with Merit from Aberdeen University BSc in Computer Science and Mathematics. Greg has been the lead programmer for the U>P platform for the last four years.

Together we have built a team that has a clear vision that every business should have the opportunity to unlock and manage the full human and business potential of their culture, in ways that optimise trust, diversity and talent acquisition while maximising productivity and growth.

Company data

Started trading:	registered in February 2019
Number of employees:	3
Turnover:	first year of activity
Shareholders:	1

Contact

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