

M&G catalyses investment in university science and innovation hubs in northern England

- *Northern Gritstone secure first close of £215 million to invest in university spin-outs in the north of England*

London, 20 May 2022 – M&G announces it has invested in the first fund by Northern Gritstone, the new investment business focused on university spin-outs in the north of England.

Having launched in July 2021, Northern Gritstone was founded by the Universities of Leeds, Manchester and Sheffield to support the commercialisation of science and IP-rich businesses originating from these three research-led institutions. Many of these opportunities are in the UK's most exciting emerging sectors such as advanced materials, health technology, cognitive computation and AI.

Northern Gritstone was founded with the philosophy of 'profit with purpose', seeking to combine attractive returns for shareholders with wider positive, societal and economic impact, including supporting Levelling Up and high-skilled job creation in the north of England. The company is expected to begin deploying capital and making its first investments in innovative start-ups over the coming weeks, having raised an initial £215 million from investors, including M&G.

The investment has been made by M&G's Catalyst strategy, which is investing up to £5 billion into innovative privately-owned global businesses working to create a more sustainable world. This marks the strategy's latest investment in UK academic innovation and impact, following previous investments in Vaccitech, Oxford Nanopore Technologies and in a strategy connected with the Cambridge ecosystem.

Lord Jim O'Neill, Northern Gritstone Chair, says: "This investment is testament to the huge scale of the opportunity in northern England's world class science and innovation hubs and the spin outs they are producing. By investing in Northern Gritstone, asset managers are directly buying into the brightest prospects for Britain's future economy. Today marks a significant milestone for the company to deliver its philosophy of Profit with Purpose which underpins all we seek to do."

Alex Seddon, Head of M&G's Catalyst Team, comments: "British universities have a growing reputation for exceptional research capabilities, successful spin-outs and innovation hubs but institutional capital has remained concentrated in the south. The momentum around Northern Gritstone is fuelling a thriving northern venture ecosystem, widening access for investors to back exceptional talent from across the UK. Northern Gritstone's philosophy of 'profit with purpose' is aligned with our own approach to investing – channelling capital into innovative companies working to create a more sustainable world."

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Notes to Editors

About Catalyst

The Catalyst investment strategy sits within the Private & Alternative Assets division at M&G. With over two decades of experience in private asset investment, M&G already manages over £71 billion in private credit, private equity and real estate on behalf of Prudential policyholders and external clients.

Drawing on this expertise and track record in private assets, Catalyst seeks opportunities across the globe to invest in unlisted businesses where capital is needed to drive innovation and impact.

Size of Private and Alternative Assets team (£71 billion), as at 31 December 2021.

About Northern Gritstone

Northern Gritstone is a ground-breaking new investment company based in the north of England, founded by the Universities of Leeds, Manchester and Sheffield, three of the UK's leading educational research establishments.

It intends to be one of the largest investors into academic spin-outs and IP-rich businesses in the UK dedicated to financing companies in some of the UK's fastest growing sectors such as advanced materials, energy, health technology and cognitive computation.

About the Founding Universities

The Universities of Leeds, Manchester and Sheffield are renowned education and research institutions that have built a strong reputation for innovation across multiple sectors for nearly 200 years. Each University is a trusted long-term strategic partner to many of the world's best-known businesses across multiple industry sectors.

Combined, the Universities share a talent pool of over 8,400 dedicated researchers, 11,000 academic staff, and 33,000 postgraduate students and generate an annual income of over £2.6 billion. They have been the home to 38 Nobel prize winners and continue to host some of the UK's leading research institutes developing new insights and solutions into business development and sustainable growth.

In total the Founding Universities produce 1 in 11 of all patents and 1 in 5 of every IP licence filed by Higher Education institutes in the UK and are number 1 ranked by research income.

About M&G Investments

M&G Investments is part of M&G plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc's UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange in October 2019 and has over £370 billion of assets under management (as at 31 December 2021). M&G plc has customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030. For more information, please visit: <https://global.mandg.com/>

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