

M&G's Catalyst backs British tech advancement in the North of England; invests £40 million into Pragmatic semiconductors

London, 6 December 2023 – M&G Investments today has co-led a series D funding round alongside the UK Infrastructure Bank with a £40 million investment into Pragmatic – a world leader in semiconductor innovation. Founded in 2010 and headquartered in Cambridgeshire, Pragmatic is delivering a new generation of electronics to address real world issues.

Pragmatic has revolutionised and fully automated the semiconductor manufacturing process and by replacing silicon can create high quality, ultra-low cost chips with flexible form factor at faster production times. They are also suitable for Radio Frequency Identification (RFID) where unique IDs can be assigned to items of clothing and other products enabling efficient inventory keeping, checkout, customer interaction, and end of life tracking. This technology can also be extended to plastic bottles so they can be identified, sorted, and re-used, reducing volumes of landfill.

The £40 million 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. It follows previous investments in Vaccitech and Oxford Nanopore Technologies.

M&G's funding will support business growth in the North of England and enable Pragmatic to scale its County Durham-based facility and build its third and fourth production lines, which will each produce billions of chips destined for fast-growing applications across multiple sectors. Over the next 10 years, Pragmatic is aiming for at least eight manufacturing lines in the UK, creating more than 500 highly skilled jobs in the North East and Cambridge.

Commenting on the investment, Global Head of Investments, M&G Catalyst, Niranjan Sirdeshpande, says: "The UK is blessed with a rich seam of enterprising and disruptive tech firms, but significant amounts of patient capital are needed to help companies like Pragmatic to expand and hone their operations - this is where Private Markets can help. We developed Catalyst to play a leading role in helping businesses to scale their operations, provide expertise and partner with them all the way to success. Long term capital put to work in this way not only supports economic growth but can capture value for people's pensions as we transition to a more sustainable economy. Pragmatic's technology provides a compelling alternative for many mainstream electronics applications, as well as enabling new applications, which aren't possible or are too expensive with silicon."

"This successful Series D round is a clear testament to the massive opportunity for our innovative technology to enable item-level intelligence in virtually any object on the planet, **adds David Moore, Pragmatic's CEO.**

“Our global customers value our ultra-thin and flexible form factor, our breakthrough low cost of customisation and rapid production cycles - and the lower environmental footprint compared to silicon. Thanks to this investment, we can scale our manufacturing capacity on the UK's first ever 300mm wafer production lines at our Durham site and deliver hundreds of billions of chips to customers worldwide over the coming decade.”

John Flint, CEO of UK Infrastructure Bank, concludes: “The Bank has an important role to play in unlocking finance to scale up domestic supply chains, like semiconductors, which are critical to the UK’s transition to net zero.

“Our investment in Pragmatic backs a British business to accelerate development of a first-of-a-kind technology which not only cuts the carbon emissions of semiconductor production, but which will drive growth in the local economy in the North-East.”

-ENDS-

Notes to Editors

M&G has a rich heritage of investing in private markets. Through a range of strategies in its £74 billion Private Markets business, it invests in real estate, infrastructure and private companies. It launched Catalyst in 2021 – it is a £5 billion purpose-led flexible private markets strategy which invests in innovative solutions to some of the world’s biggest environmental and social challenges on behalf of the £129 billion Prudential With-Profits Fund and its circa 5 million customers. M&G plc is also a signatory of to the Mansion House Compact.

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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 £332 billion of assets under management (as at 30 June 2023). 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/>

About UK Infrastructure Bank

The UK Infrastructure Bank was announced as part of the Government’s National Infrastructure Strategy in 2020 and launched in June 2021. The Bank’s objectives are to help tackle climate change and to support regional and local economic growth.

The Bank is operationally independent from Government and projects are assess by the Banka and approved through an Investment Committee.

www.ukib.org

About Pragmatic Semiconductor

Pragmatic is the world leader in flexible integrated circuit technology. Founded in 2010, the company is revolutionising semiconductor fabrication with ultra-low-cost, flexible integrated circuit (FlexIC) technology that makes it quick and easy to embed intelligence almost anywhere. FlexICs are thinner than a human hair and, invisibly embedded in objects, enable novel solutions that are simply not possible with conventional electronics.

With rapid cycle times that substantially accelerate time to market, our foundry provides high-volume fabrication at a fraction of the cost of silicon, with a significantly lower environmental impact. The company has built a large-scale manufacturing facility, Pragmatic Park, in Durham. Housing the UK's first state-of-the-art 300mm fab, it sets the standard for smart, sustainable semiconductor manufacturing. When fully operational, it will be the highest-volume semiconductor manufacturing facility in the UK. Pragmatic is headquartered in Cambridge, UK, with manufacturing operations in the North East.

Pragmatic was advised on the Series D funding transaction by the dedicated private growth capital team at Lazard and by leading global technology law firm Wilson Sonsini Goodrich & Rosati.

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