

Foresight invests £2 million in Epistem management buy-out

MANCHESTER, 12 June 2018: Foresight Group (“Foresight”) announces an investment of £2 million supporting the management buy-out (“MBO”) of the contract research business Epistem (“Epistem” or “the Company”) from genedrive plc (“genedrive”).

Epistem is a differentiated life sciences services company with headquarters in Manchester and additional facilities in Baltimore, USA. The Company focuses on providing research services for both pre-clinical and clinical development across several specialist therapeutic areas, including oncology and inflammatory diseases. Clients include several global pharmaceutical businesses, US Biodefence programmes and niche biotechnology companies.

Foresight’s investment, which includes an injection of growth capital, will support the management team’s clear plans for growth, enabling the Company to expand its service offering, including investment in Next Generation Sequencing technologies and further development of organoid models. The business will also strengthen its sales and marketing activities across its international customer base.

The buy-out is led by Dr Catherine Booth, one of the original founders of Epistem and expert in epithelial stem cell biology. Dr Booth will be supported by a strong executive team including Operations Director Julie Tudor, also one of the original founder members of Epistem, and a new sales director and finance director. Foresight has introduced an experienced industry Non-Executive Chairman, Dr Nick Ash. Dr Ash will be a strong addition to the team having previously been CEO of Source BioScience plc, a lab services business where he helped grow revenues five-fold, creating an enterprise valued at over £70 million.

This investment marks the ninth investment by Foresight’s FRIF fund, adding life science services exposure and follows the recent investment in DA Languages which completed last month.

Bamburgh Capital advised Dr Booth on the terms of the buyout with genedrive and sourced funding support from Foresight.

Matthew Pomroy, Investment Manager, Foresight, commented: “Epistem is a prime example of the type of company Foresight likes to support, a differentiated and customer-focused business with market leading expertise. Cath’s dedication and long-term involvement, combined with the new expertise from incoming Chairman Dr Nick Ash, gives us confidence that we will see the business go from strength-to-strength. We look forward to working with the team in the coming years.”

Dr Catherine Booth, CEO and co-Founder, Epistem, commented: “We are delighted to partner with Foresight. Epistem has huge potential for growth and development. We have a clear list of initiatives for enhancing and expanding the business and are looking forward to meeting all our targets with the financial and strategic support of the team at Foresight.”

Dr Nick Ash, Non-Executive Chairman, Epistem, added: “I am looking forward to working with Cath and the Management team at Epistem to accelerate the growth of the business, and build a Company that excels in customer service and provides an outstanding environment in which to work.”

Foresight Advisers:

Legal: Turner Parkinson led by David Easdown and Adrian Rogers

Financial Due Diligence: DSW led by Catriona Lang

Commercial Due Diligence: RPL led by Roger Penney

Management Due Diligence: Catalysis led by Andy Airey

Management team Advisers:

Alex Clarkson of Bamburgh Capital

Legal: Shoosmiths led by Tim Jackson-Smith and Anna Kerrane

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Notes for editors

About Foresight Group LLP (“Foresight”):

Foresight is a leading independent infrastructure and private equity investment manager which has been managing investment funds on behalf of institutions and retail clients for more than 30 years.

Foresight has £2.8 billion of Assets Under Management across a number of funds, including Listed Vehicles-Limited Partnerships, Enterprise Investment Schemes (EISs), Venture Capital Trusts (VCTs) and Inheritance Tax Solutions using Business Property Relief (BPR).

Foresight’s Private Equity Team, comprising 22 investment professionals, pursues four discrete but complementary investment styles: Venture, Impact, Growth and Replacement Capital through its growing regional office network, typically investing between £500k and £5m in management buy-outs, management buy-ins and growth capital investments in UK SMEs.

The Foresight Regional Investment Fund targets companies in the North West of England, North Wales and South Yorkshire. It is managed from Foresight’s Manchester office.

Foresight was voted ‘Best VCT Investment Manager’ at the 2017 Growth Investor Awards, having been previously awarded ‘VCT House of the Year’ at the 2016 Unquote British Private Equity awards.

Foresight is headquartered in London with regional offices in Manchester, Nottingham, Milton Keynes, Leicester and Guernsey and international offices in Sydney, Rome and Seoul.

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