

New Parkwalk fund targets £25m to back DeepTech

Parkwalk, the fast-growing investor in innovation, has launched a second multimillion EIS fund approved by HMRC – this one to support DeepTech initiatives.

The Knowledge Intensive EIS Fund II will target high growth IP-backed DeepTech businesses and follows the huge success of KI Fund I which was the largest KI fund in the market last year, raising over £20m. This time Parkwalk is tilting at £25m.

Parkwalk expects strong investor demand for KI Fund II. It is designed to mirror the investment strategy of Parkwalk's evergreen Opportunities EIS Fund.

Parkwalk has been the largest EIS fund, by money raised, for the last three tax years and was the first major EIS fund manager/investor to launch a Knowledge Intensive EIS Fund.

The firm raised £65m in the 2020/21 tax year and has had a busy year, including the exit of Yasa, a specialist in next-generation electric drive technology, to Mercedes. It was one of the largest EIS exits, by monies returned to investors, in recent years.

The first fund was created in January 2021 following Government changes to the rules surrounding 'approved Funds' to align with the UK's modern industrial strategy and encourage investment into Research and Development led businesses.

HMRC will only approve deals where fund managers are willing and able to deploy capital into Knowledge Intensive qualifying EIS companies.

Moray Wright, CEO of Parkwalk, said: "We are thrilled to be announcing the launch of our second Knowledge Intensive EIS Fund. This is testament to the success we have seen with the first fund, launched earlier this year, which has already invested in a number of fantastic businesses and seen substantial investor interest.

"The fund takes advantage not only of the UK's world leading position in R & D and our position as the most active investor into UK university spin-outs, but also the Government's recognition of the importance of this high quality sector.

"The launch of this new fund coincides with the hiring of three new individuals to the Parkwalk team following another successful year as investors recognise the opportunity in backing knowledge intensive start-ups."