

# Allied Minds

Portfolio update

## Federated Wireless \$51m Series C financing

The Federated Wireless funding round comes hot on the heels of the Hawkeye360 fund-raise in August 2019. We estimate that the Federated Wireless round provides a further NAV uplift of \$22m, equating to 4p per share (net of the \$10m cash invested). Allied Minds has now delivered additional validation for two of its three principal portfolio companies, with 2019 funding rounds closed with strategic investors (in line with its June AGM statement), each offering material NAV uplifts. We calculate the fully diluted NAV of these two portfolio companies alone comes to 53p. At today's price, considering our estimate of adjusted net cash of approximately 10p, Spin Memory, BridgeSat and the remainder of the portfolio are in the price for free.

Period end	Ownership adjusted value (OAV) (US\$m)	Parent-level net cash (US\$m)	NAV (US\$m)	NAV/share (p)	P/NAV (x)
12/16	415.8	136.7	552.9	208.0	0.28
12/17	395.6	84.2	479.8	150.0	0.38
06/18	350.1	66.0	416.1	132.4	0.43
12/18*	226.7	50.6	277.3	94.2	0.61

Note: NAV is calculated as fair value plus net cash at the parent level. \*FY18 NAV is based on our estimate of FY18 fair value as this is no longer disclosed by the company.

Allied Minds has announced a \$51m Series C financing for one of its principal portfolio companies, Federated Wireless, a pioneer in Citizen Band Radio Service (CBRS). The funds raised will enable Federated Wireless to accelerate the availability and adoption of shared spectrum CBRS services in the US. Participants in the round included new investors SBA Communications (NASDAQ: SBAC) and Pennant Investors, alongside existing investors GIC, Singapore's sovereign wealth fund, American Tower (NYSE: AMT) and Allied Minds.

The transaction was completed at a post-money valuation of \$201m, a 65% increase on the \$121.5m FY18 carrying value. Allied Minds invested \$10m in the financing, with its stake in Federated Wireless valued between \$72.0m (fully diluted) and \$85.6m (undiluted) (24.5–29.1p per share).

### Investment companies

5 September 2019

**Price** **57.5p**

**Market cap** **£139m**

US\$1.22/£

Net cash (US\$m) at 31 December 2018 50.6

Shares in issue 241.3m

Free float 91%

Code ALM

Primary exchange LSE

Secondary exchange N/A

### Share price performance



### Business description

Allied Minds is an IP commercialisation company with a concentrated investment portfolio focused on early-stage companies within life sciences and technology. Its portfolio companies are spin-outs from US federal government laboratories and universities.

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