

Pembroke Newsletter

January 2025



WNU & Smartr365

Learn more about our two latest investments
- a luxury womenswear brand and the
one-stop-shop mortgage platform



Highlights from the
portfolio, including:

- Roto VR
 - Smartify
- and more...

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Photograph: Secret Food Tours

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Pembroke

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Resilience Through Adversity: How Pembroke's Portfolio Thrives Amid Economic Challenges



Fred Ursell
Investment Director,
Pembroke

Currently, early-stage businesses face several challenges – from the lingering effects of Brexit to the conflicts in Ukraine and the Middle East, and the persistent cost-of-living crisis. These economic headwinds are testing the resilience of even the most established companies. For many smaller businesses, the combination of these factors has demanded adaptability, creativity and strong leadership. Pembroke VCT has a diverse portfolio spanning a wide range of sectors, from technology and business services to consumer-facing industries, which accounts for around 40% of our holdings. While the consumer sector often feels the impact of economic shifts the most, many of our founders have evolved, adapting innovatively to turn adversity into opportunity and growth.

Evolving for Growth

Take Secret Food Tours, for example. The pandemic brought the food and beverage tour business to a standstill, with global lockdowns halting operations entirely. Rather than waiting for normality to return, founders Oli and Nico invested in refining the business's technology—specifically its booking platform—to strengthen their long-term business model. This proactive approach positioned the business to meet a surge in demand once restrictions lifted.

Another example is My Expert Midwife, a personal care brand supporting women through pregnancy and early parenthood. The management team recognised the affect a cost-of-living crisis could have on sales, sought feedback from their customer base and responded accordingly. At the time, one of the company's award-winning products was sold in large bottles and had become too expensive for many buyers. By introducing a smaller more affordable format, both the volume and unit sales increased, revenue grew, and the product maintained its market leading position.

Backing Exceptional Founders

Central to the portfolio's strength is a core belief in founders who deeply understand the problems they aim to solve. It's not enough to only identify a compelling market opportunity; successful entrepreneurs must combine expertise, innovation and a willingness to evolve when circumstances change. This focus on founder quality, combined with our emphasis on robust business models, helps cultivate a portfolio designed for resilience.

Confidence in the Future

While economic challenges will undoubtedly persist, we remain confident in the strength of the portfolio and our investment strategy. By prioritising businesses with strong fundamentals and exceptional leadership, we aim to ensure that our portfolio is not only capable of withstanding adversity but thrives in the face of it.

A company's ability to adapt is a necessity for long-term growth. At Pembroke, we believe that challenges are not just obstacles—they are opportunities for innovation and transformation. Our role is to partner with businesses, help them identify these moments, provide strategic guidance and unlock access to valuable networks, helping to fuel their next stage of growth.

New Investments

WNU

London, England

Consumer

British womenswear brand lands £2.5m investment

We are delighted to announce our latest investment of £1.5 million into the luxury womenswear brand, With Nothing Underneath (WNU) alongside JamJar Investments.

Founded in 2017 by Pip Durell, former Tatler Editor and Vogue Stylist, WNU was born from a vision to create the perfect shirt—combining the precision of traditional men's tailoring with a fit designed specifically for women.

As well as maintaining its focus on home soil, WNU will use the funding to expand its presence in overseas markets in the U.S. and Europe – specifically in the DACH region (Germany, Austria and Switzerland), tapping into international demand for British heritage styling.

The business has already generated an international customer base and received organic endorsements from Dolly Alderton, Cara Delevingne, and Florence Pugh. It has also collaborated with the well-known brand Free People and has a limited-edition partnership with the Financial Times.

In a world where only 2% of Venture Capital funding is given to female founders. We are proud to add WNU to the Pembroke VCT portfolio, where 38% of companies are led by women.

Since 2017, WNU has maintained profitability. They grew revenues 60% in 2024, and this year's growth is currently forecast at 110%.

Pembroke VCT invests £3.5m in Smartr365

Smartr365 is a cutting-edge end-to-end mortgage and protection platform transforming the mortgage industry. Founded by Conor Murphy, Smartr365 emerged from frustration with inefficiencies and outdated processes in the sector. The platform automates the mortgage journey, connecting brokers, estate agents, homebuyers, and lenders seamlessly.

Smartr365 gained significant recognition in 2018 when Legal & General (L&G) became its largest external investor. This latest £5 million funding round, alongside Calculus Group and Smart Currency, will fuel Smartr365's growth by enhancing its technology, expanding integrations, and increasing its sales and customer success teams.

It will also help increase the usage of Smartr365's marketplace, including the growing volume of automated direct-to-lender applications applications.

Conor has extensive experience in the UK mortgage sector, having previously founded Capricorn Financial, London's largest independently owned mortgage broker. Building on this success, he launched Smartr365—a visionary “one-stop-shop” platform for brokers that reduces onboarding times, minimises errors, and enhances client satisfaction.

Smartr365's client base includes major players like Legal & General, Sesame, Openwork, and Just Mortgages. The platform connects these distributors to lenders such as Halifax, Nationwide, NatWest, and Barclays, simplifying compliance checks, mortgage tracking, and document management.

We are proud to support Smartr365 in reshaping the mortgage industry and look forward to its continued success.



Mortgage intermediaries represent 90% of the UK mortgage sector and 25% of these already using Smartr365.

Follow-on Investments

ROTO

Technology

Roto VR secures £2.4m in funding to expand global reach

Roto VR, designer of the world's first interactive VR chair, has raised £2.4 million in its latest funding round, including £500,000 from Pembroke VCT. The investment supports the global launch of the Roto VR Explorer chair, part of Meta's "Made for Meta" program and compatible with 400+ games and apps. Meta, the largest VR headset provider, has sold over 20 million devices since 2019, reflecting strong market demand.

Roto VR's innovative chair addresses motion sickness and limited immersion in VR with proprietary eye-tracking technology, aligning physical rotation with users' eye gaze. Partnerships with Meta, GameStop, and Argos have bolstered its retail presence, and mass production has commenced in China to optimise global distribution.

Pembroke, a strategic partner since 2019, has invested £2.2 million to date and continues to advise on scaling operations, talent acquisition, and market strategy.

“

My team and I are thrilled to be launching the Roto VR Explorer with industry leading partners such as Meta after a considerable period of product development and market analysis. I'm especially grateful to all our investors who continue to support our efforts and I'm excited for the next chapter in our journey.”

Elliott Myers

Founder of Roto VR





Technology

Smartify secures £1.5m+ to transform visitor experiences

This quarter, we have reaffirmed our backing for Smartify as part of a follow-on £1.5 million funding round. We first backed the business in 2020 as the concept was exactly the kind of disruptive thinking that we look for in a business. Since then, the platform has been at the forefront of driving innovation in the arts and culture sector and continues to expand its roster of over 700 arts and cultural institutions worldwide.

This renewed funding will help Smartify build on its global footprint – which includes the likes of the National Gallery,

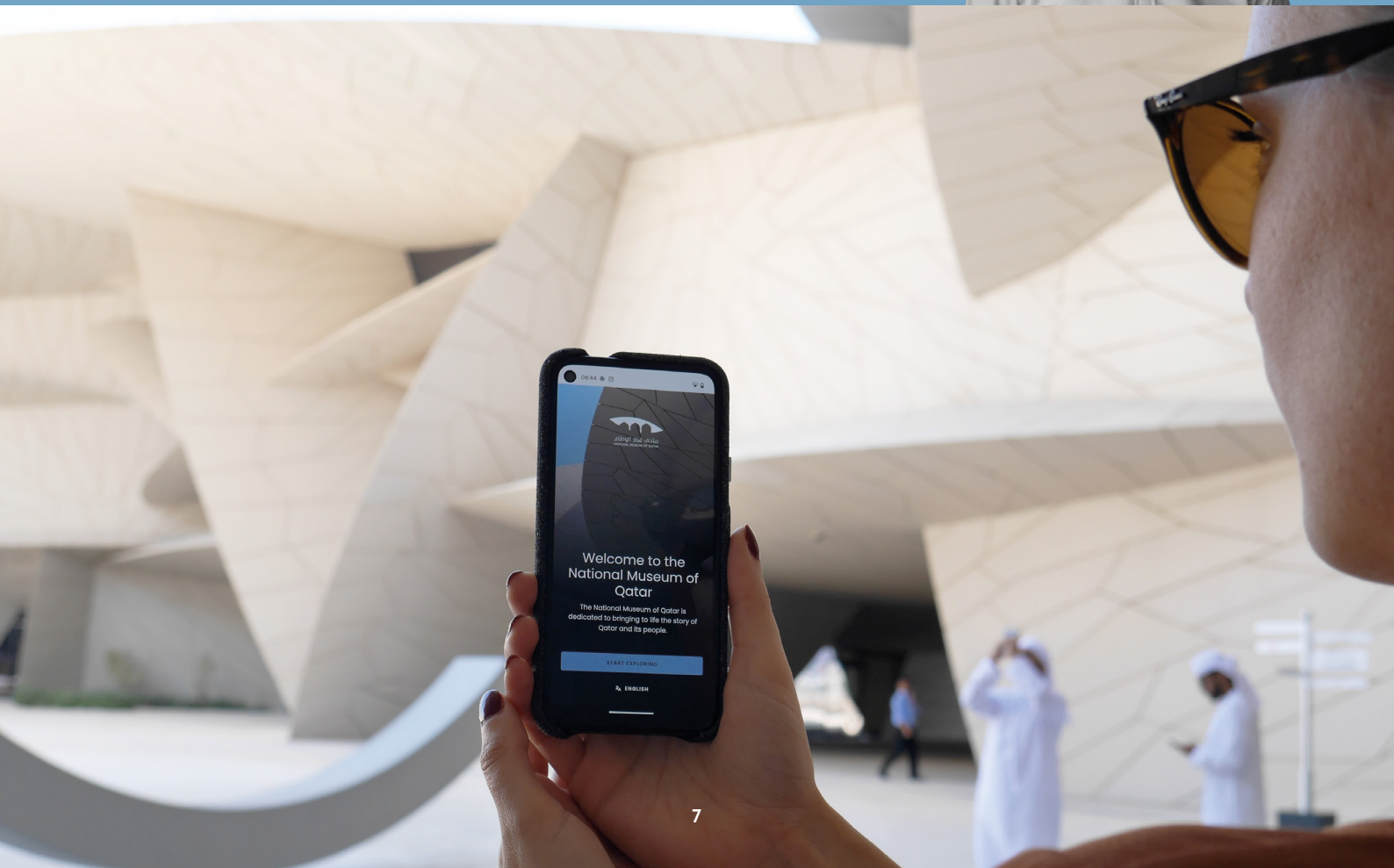
Historic Royal Palaces, the Acropolis Museum and the Tower of London. Over the past year, usage of Smartify's iOS, Android, and web apps grew by 68% – with more than two million users engaging with its content. This funding is a pivotal moment for Anna, Thanos and the team at Smartify as they bring innovative technologies to both heritage and contemporary museums and attractions and we are delighted to continue our partnership as they embark on this next phase of growth.

“

This funding follows a truly remarkable year for Smartify, and is a significant vote of confidence in our work to make arts and culture more accessible and more enjoyable. We're delighted to have the support of Metavallon VC, Pembroke VCT and Mountside Ventures, as we expand our reach and transform the visitor experience at even more venues worldwide. ”

Thanos Kokkiniotis

CEO of Smartify



Pembroke's Investment Journey

The following journey outlines Pembroke's thorough approach to its investment process, which a typical business would follow should Pembroke express interest.

A distinctive feature of Pembroke's approach is the early introduction of the business to our Investment Committee. This early engagement ensures efficiency and provides valuable feedback from the outset—an essential element in shaping a robust investment case.

Following a successful initial review, we move to the next stages, involving in-depth discussions with the team to gain a comprehensive understanding of the business. This includes detailed exploration of financial, legal, commercial, and technical aspects to ensure a well-rounded evaluation.

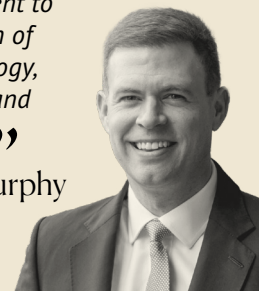


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We are incredibly excited about the next phase of growth for Smartr365. This investment will allow us to further enhance our platform and ensure that we continue to meet the evolving needs of our clients in the mortgage and protection sector. We are on a mission to transform an industry that has long been bogged down by inefficiencies, and this funding will enable us to expand our reach, increase adoption, and continue innovating. The support from Pembroke VCT and our other investors is a testament to the strength of our technology, our vision, and our team.”

Conor Murphy

CEO & Founder
of Smartr365



“

We're excited to have closed our first fundraising, securing two experienced partners to help take WNU to the next phase of growth. With Pembroke, the process felt people-focused, and we connected with everyone—from junior team members to the investment committee. Their vision aligned with ours, and we saw the valuable contributions they can bring. We've built WNU on a foundation of great products, customer-first values, and staying true to our brand, and we look forward to continuing our journey with strong partners who share our vision and bring valuable financial and retail expertise.”

Pip Durell

Founder of With
Nothing Underneath



Team and Company Updates

Adrian Harris

Adrian is a Portfolio Director at Pembroke, having joined the team in June 2024. Adrian began his career as an investment banker at Lazard Brothers and Co in London, where he gained expertise in financial markets and M&A. For the past nine years he has served as a managing director at Oakley Capital, working on a range of internal and philanthropy projects.



Adrian Harris
Portfolio Director

Victoria Barber

Victoria joined Pembroke as Sales Director in August 2024. She oversees fund distribution by fostering relationships with key clients and external stakeholders. Previously, she was Head of Strategic Partnerships at TIME Investments, building strong ties with national advice firms, financial networks, and service providers. She also gained experience in sales and marketing at Octopus Investments and LGT.



Victoria Barber
Sales Director

Capital and Counsel

VCTs provide more than just funding; they offer essential business expertise, access to human capital and strategic support, making them valuable partners for startups.

At Pembroke, we are focused on backing people and believe that the better your team, the stronger your business. Our team comprises both former business founders and seasoned investors. This blend of relevant experience enables us to identify and understand founders with innovative business models, as well as the markets they operate in. Each founder, company and business plan is unique, but here's a few founder tips we believe are important:

- ✓ **Be transparent** – about your mistakes and don't be afraid to communicate when things don't go as planned. A great founder knows how to pivot and evolve.
- ✓ **Business plans** – whilst it is great to have a five year plan, we want to gain a deeper understanding of the growth strategy over the next 18 months.
- ✓ **Grow through your experiences** – building a sustainable business model is essential for long-term success. Learn from past mistakes, but remember: if you're not making any, you're not pushing boundaries enough. Just don't bet the family jewels on one strategy.
- ✓ **Surround yourself with the right people** – this goes beyond assembling a strong core team (which is essential) it's also about selecting the right advisors who can provide valuable guidance and, most importantly, supportive investors. The wrong investors can create long-term challenges, drain your energy and derail progress, while the right ones will contribute to driving sustainable growth and success.



Yasmina Jebai
Investment Associate

Portfolio Snapshots



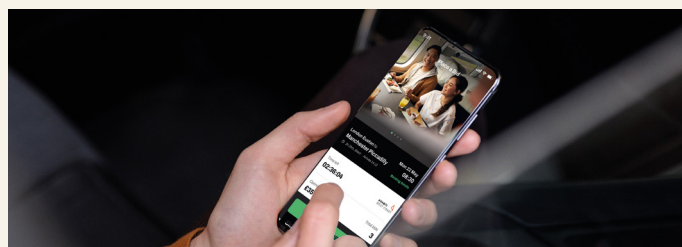
Award winner

Ranked 7th in The Deloitte Technology Fast 50 awards where Deloitte highlight the 50 fastest growing tech companies in the UK.



Award winner

Ranked 45th in The Deloitte Technology Fast 50 awards where Deloitte highlight the 50 fastest growing tech companies in the UK.



New collaboration

COAT Paints has teamed up with French interior furniture specialist Schmidt to bring a curated range of COAT's modern, muted shades to Schmidt's 30 UK showrooms.



New collaboration

WNU recently partnered with celebrity stylist Felicity Kay to create a collection of three unisex shirts, all designed with modern and exclusive touches.



Award Winner

My Expert Midwife celebrated an incredible achievement at the Mother&Baby Awards, winning three prestigious accolades!



Award Winner

Conde Nast Best travel Bra



Award Winner

Healthcare Services Supplier of the Year award at the annual Superdrug Supplier Conference



New partnership

Smartify has partnered with Historic Royal Palaces (HRP) to deliver a hybrid audio guide solution at the Tower of London, Hampton Court Palace, and Kensington Palace.



EY Award Winner

Lucy Goff, Founder of LYMA, has been recognised as the scale-up winner at the prestigious EY Entrepreneur of the Year Awards 2024.



New collaboration

Bella Freud successfully launched with M&S in 2024, selling out within the first 24 hours.



The UK's top 200 women-powered businesses

Grace Beverley, founder of TALA, recognised as a rising star in JP Morgans has been recognised as one of Vogue Business's 100 Innovators in the entrepreneurs and agitators category.



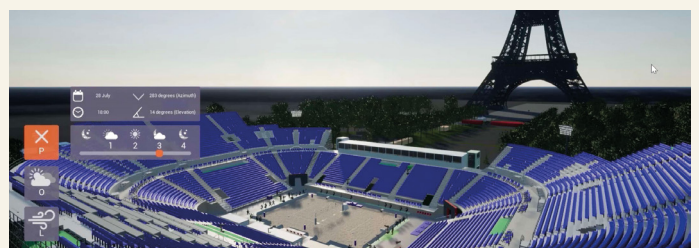
Supporter of the Paris Olympic Games

OnePlan streamlined planning for the Paris 2024 Olympics with 2,500 users, 49 venues, and 80% time savings

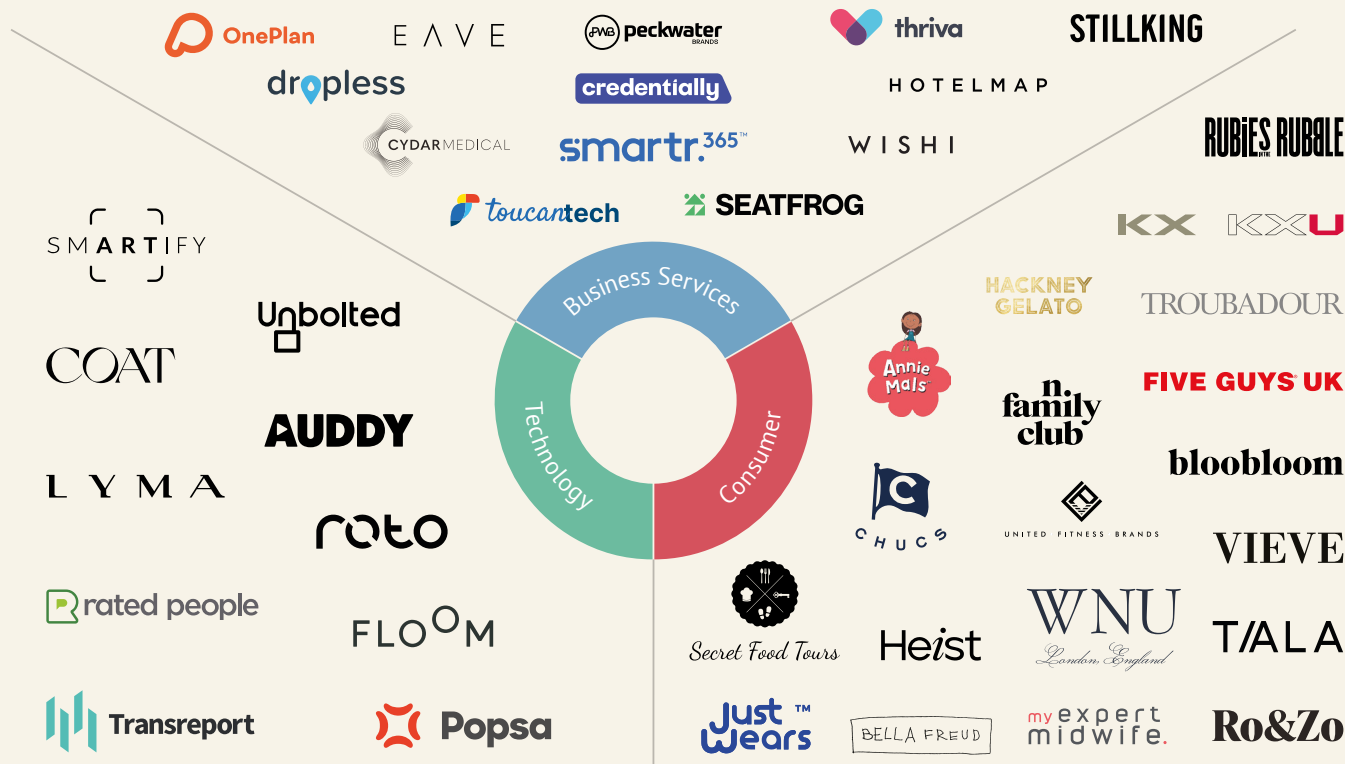


New Pop-Up: JustWears has landed in Selfridges!

The brand has now reached a major milestone, making its debut in the iconic Selfridges and bringing its products directly to customers in-store.



Pembroke's Portfolio



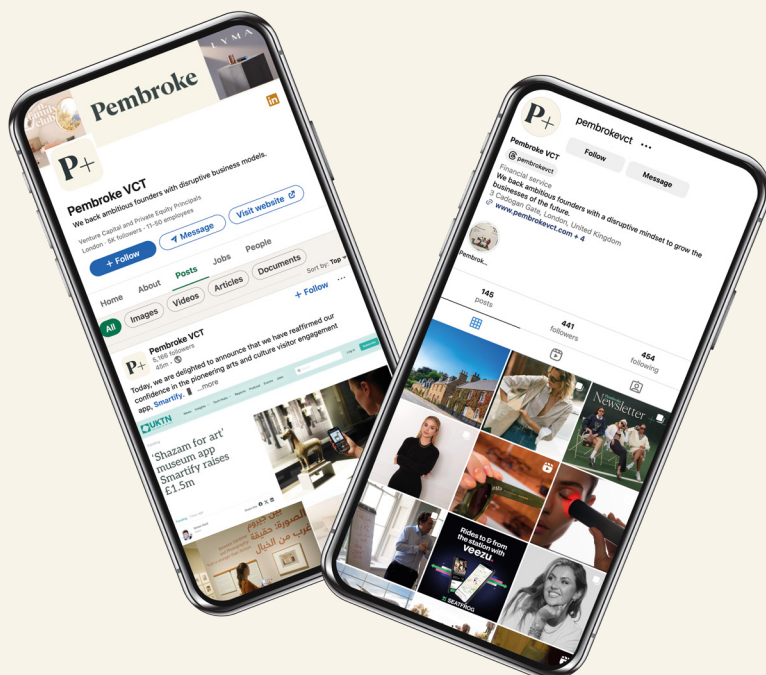
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