

Catalyst

NI Deal Tracker 2023

Analysing equity investment
in Northern Ireland





Northern Ireland **shows resilience in growing equity investment** in a challenging environment in 2023.



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Catalyst's View



Kieran Dalton
Head of Scaling

2023 was a much different year economically than 2022. We entered 2022 with the Bank of England Base Rate stable at 0.25% and entered 2023 with a Base Rate of 3.5% and growing. Over a decade of historically low interest rates came to a sudden end with costs, budgets and valuations being recalculated across households, businesses and investments.

Consequently it is unsurprising that equity investment in the UK as a whole has had a challenging year, continuing the decline seen across 2022. The headline in the recent Beauheurst report "The Deal" focussed on a 25% reduction in the volume of deals and a 42% reduction in capital invested.

- Against this narrative Northern Ireland has fared incredibly well. Equity investment in Northern Ireland companies in 2023 was £143, a 2% increase on the previous year.
- On initial assessment equity funding in Northern Ireland has been surprisingly resilient in 2023. However, a deeper look suggests two distinct factors at play.
1. Many of the larger investments in year have been follow-on investments from existing investors who have been willing to back their existing positions. Several of these have included investments by UK Future Fund which is playing a key role in underpinning innovation success in Northern Ireland
 2. A notable number of investments, including rounds up to £5m, have been completed by groups of local angels and private investors. This suggests individuals may see value in the current market

Key Findings

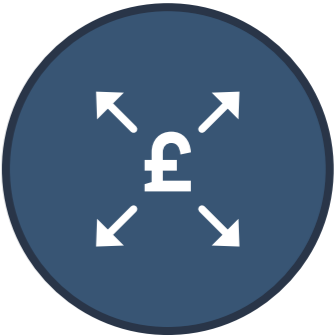
The underlying data for this report has been sourced from public sources including Companies House and IVCA. It has been cross checked with data published by Beauhurst and Crunchbase.



72 deals
down from 85 deals 2022



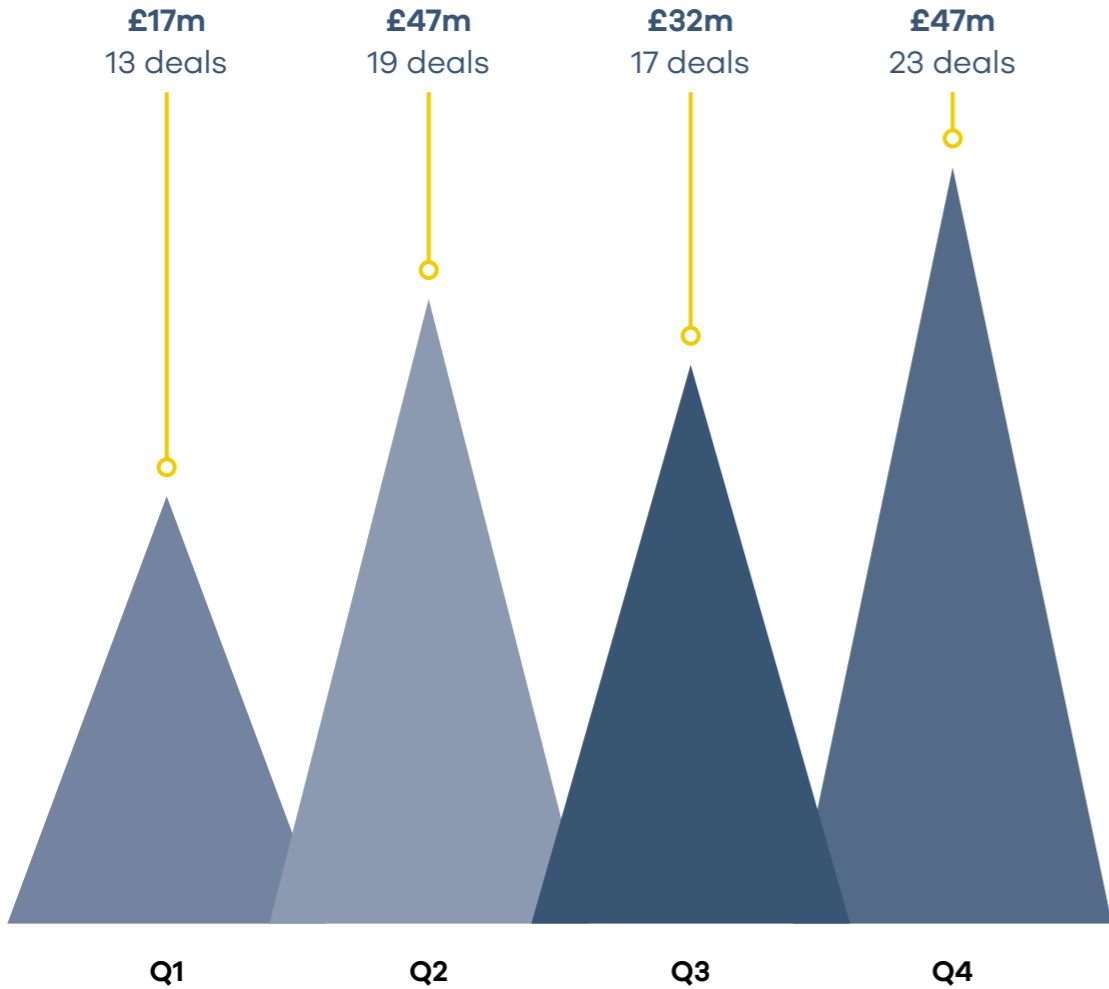
Average deal
£1.99m
up from £1.6m 2022



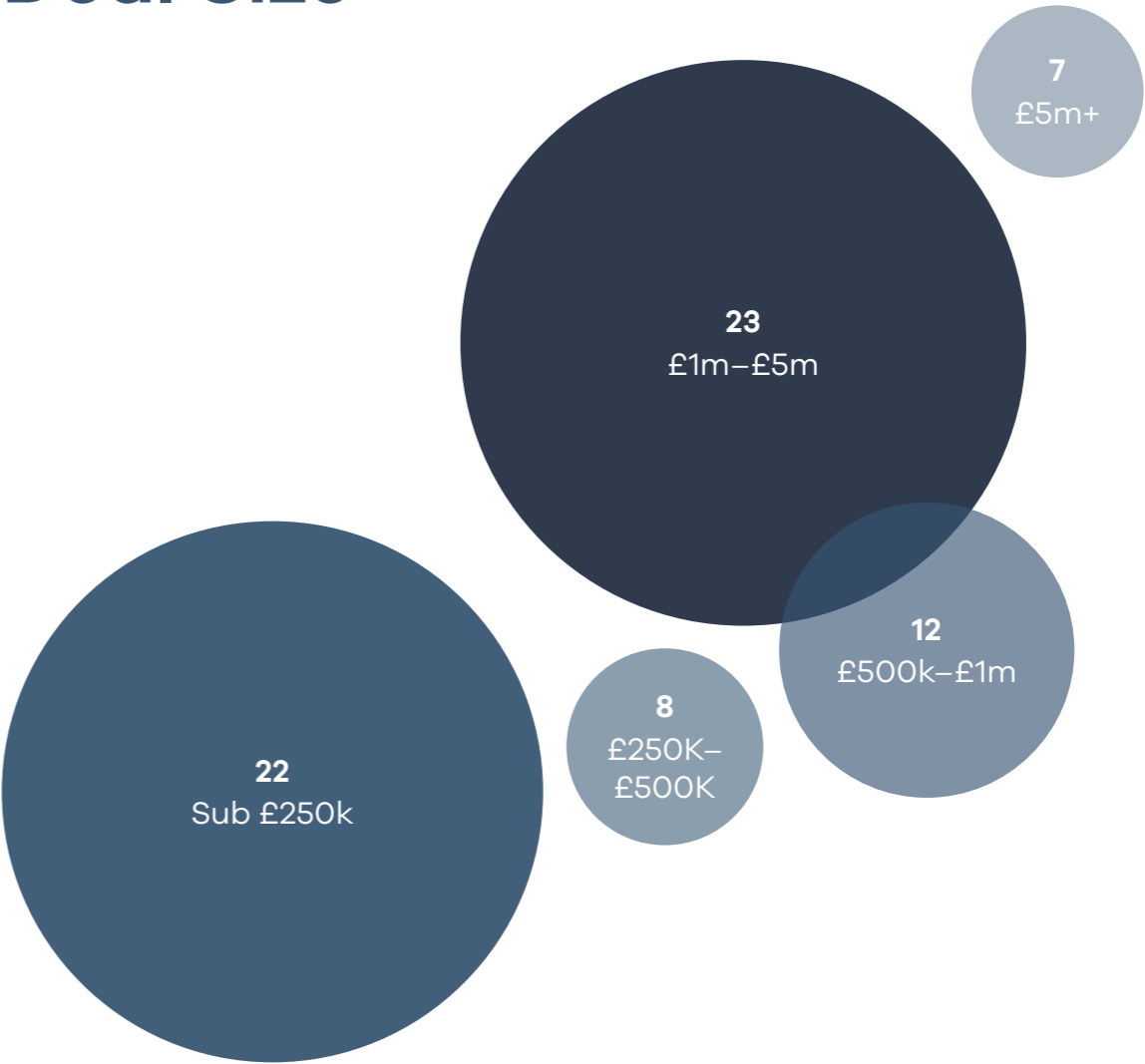
£143.2m
up from £139.6m 2022

Deal Activity

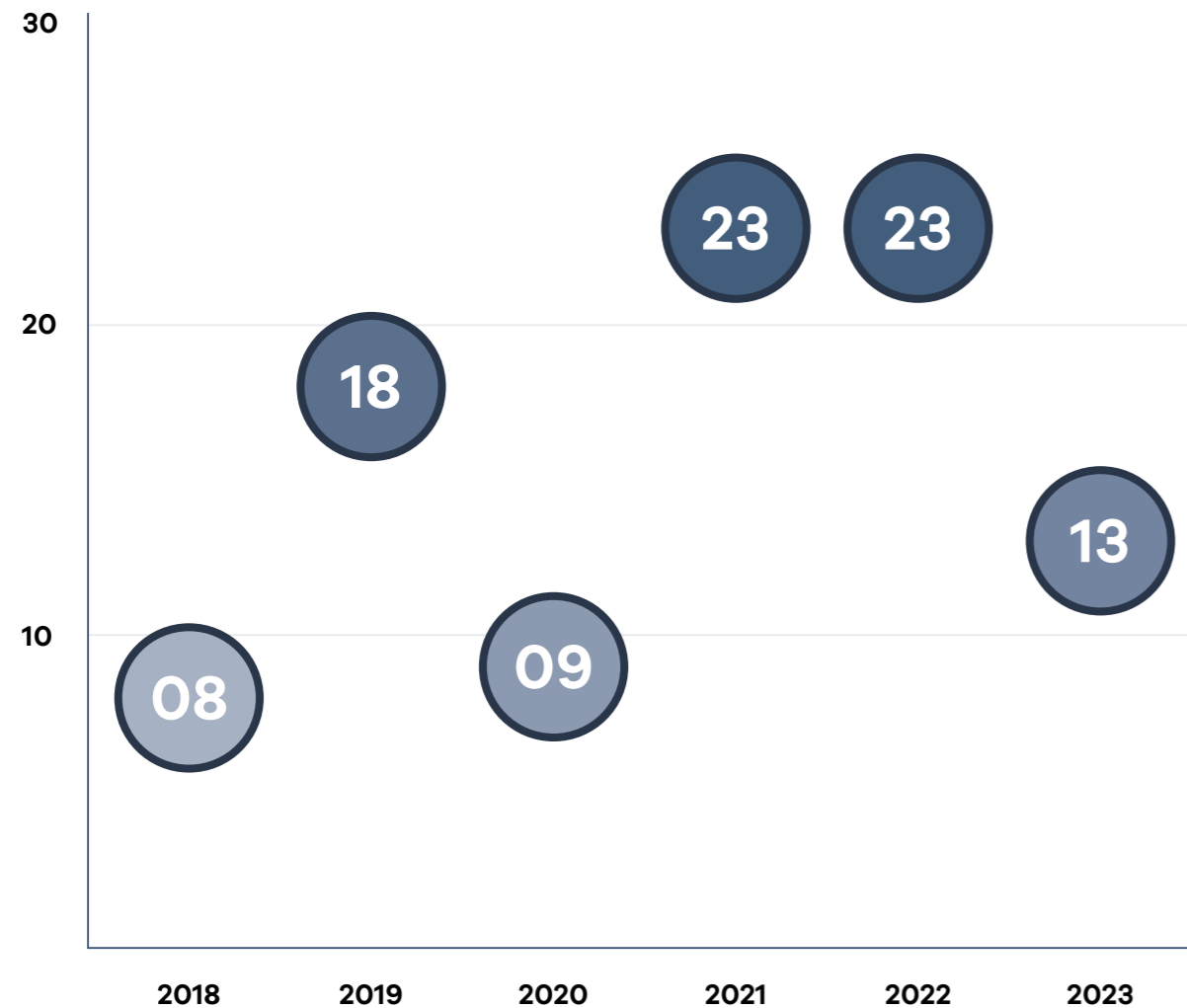
Deal Activity (deal number and amount per quarter).



Deal Size



New (1st Investment Deals)



Female Leadership

Of the 73 investments made in 2023, 25 (35%) were made in companies with female representation on the company executive team. Whilst these numbers are growing steadily in Northern Ireland, it is notable that there are no 'All-Female' company officer teams in our review of investment in 2023.

Positive action on funding – such as the formation of Awaken Angels fund – will hopefully pave the way to establishing a more gender inclusive model in Northern Ireland.

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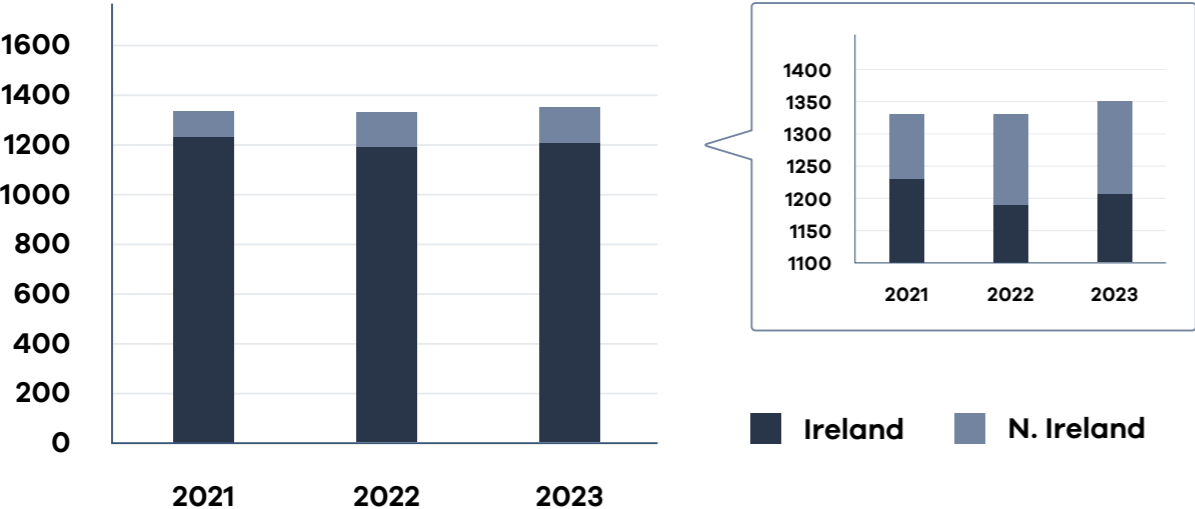
company executive team.

NI v All Ireland Figures

Equity Investment figures across Ireland have remained largely static in 2023 at €1.35Bn for the 3rd year running.

However, this fact hides a significant swing between the two halves of the year. Over 70% of the in-year investment was delivered in first half of the year, with a significant drop in the second half of the year. While this 'drop' in H2 reflects a global fall in VC funding the IVCA has called upon the government to act to ensure that Scale Up funding for growth companies remains available in the absence of international investors.

The Northern Ireland component of the All Ireland data remained modest when viewed on a per capita comparison. However, within the constraints of a regional economy, the ability of Northern Ireland to 'keep pace' in the All Ireland comparison is an achievement.



The REAP Opportunity

In 2021 Northern Ireland joined the MIT REAP program, along with teams from regions in Europe, the Middle East and South America, as part of Cohort 8 on the REAP Global Program. REAP establishes a focus and the methodologies for Regions and Nations to promote entrepreneurship within their population. It fosters the creation of cohesive support for entrepreneurs and the increased emergence of Innovation Driven Enterprises within the region.

The Northern Ireland REAP initiative is sponsored by the Northern Ireland Office and supported by our Devolved Government, Universities and members of the entrepreneurial community in its work to strengthen and grow the support available to entrepreneurs in NI. A key outcome of the REAP program is the identification of a small number of "Strategic Interventions" that will materially improve the journey from early stage entrepreneur to the creation of successful Innovation Driven Enterprises in Northern Ireland.

Other UK regions, notably Scotland, Wales and London have participated in the REAP program.

Case Studies



B-Secur is on a mission to save and improve millions of lives each year by advancing heart health technology that brings greater clarity to EKG interpretation with better data and deeper insights.

Their technology uses a suite of powerful electrocardiogram (ECG) algorithms and analytics that enhances signal clarity, reduces signal noise, and delivers FDA-cleared health data with actionable wellness insights.



SiSaf received £14.7m in follow-on funding in 2023. SiSaf began operating in 2008 with funding from Invest NI and the investment arm of the University of Ulster.

SiSaf is an RNA delivery and therapeutics company. Its proprietary Bio-Courier® technology addresses the limitations of other RNA delivery technologies through the hybridization of organic materials with inorganic bioabsorbable silicon.



Cumulus Neuroscience are developing faster, more effective tools to help their partners solve the biggest healthcare challenges in neurodegeneration and psychiatry.

They have created a next-generation integrated physiological and digital biomarker platform. In clinical trials it provides the critical data and insights needed to accelerate the delivery of more effective CNS drugs to patients.



Material Evolution raised £15m in funding from international and UK investors.

Material Evolution are on a mission to rapidly and radically decarbonise the cement industry and will use the investment to scale their production facilities, develop new products and establish a licensing process for their technology.



Equity Investment in Northern Ireland in 2023 shone a spotlight on the skill of **“building a round”**.

At all levels, from Seed to Series B, many of the **larger investments were delivered by a “community” of investors** spanning individuals, corporates, management, and institutions.





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