Equity investment trends for health and healthy ageing companies

October 2023
An introduction to Beauhurst
Defining growth

Our eight triggers for ambitious, growing companies are:

- Equity investment
- Scaleups
- Accelerator attendances
- MBO/MBIs
- Academic spinouts
- High-growth lists
- Major grant recipients
- Venture debt
Equity investment in the UK’s health and healthy ageing companies
Equity investment (2013–Q3 2023)
Equity investment trends

Proportional deal #s by company stage (2013–Q3 2023)
Proportional deal value by company stage (2013–Q3 2023)

Equity investment trends
### Equity investment trends

**Top investors by deal participations (2021–Q3 2023)**

<table>
<thead>
<tr>
<th>Investor</th>
<th>Participations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottish Enterprise</td>
<td>48</td>
</tr>
<tr>
<td>SyndicateRoom</td>
<td>45</td>
</tr>
<tr>
<td>Mercia</td>
<td>42</td>
</tr>
<tr>
<td>Crowdcube</td>
<td>37</td>
</tr>
<tr>
<td>Parkwalk Advisors</td>
<td>33</td>
</tr>
<tr>
<td>SFC Capital</td>
<td>28</td>
</tr>
<tr>
<td>British Business Bank</td>
<td>28</td>
</tr>
<tr>
<td>Seedrs</td>
<td>27</td>
</tr>
<tr>
<td>BGF</td>
<td>25</td>
</tr>
<tr>
<td>Ascension</td>
<td>20</td>
</tr>
<tr>
<td>Octopus Group</td>
<td>18</td>
</tr>
<tr>
<td>Wealth Club</td>
<td>15</td>
</tr>
<tr>
<td>Meltwind Advisory</td>
<td>14</td>
</tr>
<tr>
<td>Development Bank of Wales</td>
<td>13</td>
</tr>
<tr>
<td>Cambridge Angels</td>
<td>13</td>
</tr>
<tr>
<td>University of Edinburgh</td>
<td>12</td>
</tr>
<tr>
<td>Oxford Innovation</td>
<td>11</td>
</tr>
<tr>
<td>IP Group</td>
<td>11</td>
</tr>
<tr>
<td>Equity Gap</td>
<td>11</td>
</tr>
<tr>
<td>Oxford Technology</td>
<td>10</td>
</tr>
<tr>
<td>Oxford Science Enterprises</td>
<td>10</td>
</tr>
<tr>
<td>Future Planet Capital</td>
<td>10</td>
</tr>
</tbody>
</table>
Top investors by seed deal participations (2021–Q3 2023)

- SFC Capital: 26 participations
- SyndicateRoom: 20 participations
- Scottish Enterprise: 14 participations
- Mercia: 13 participations
- Seedrs: 12 participations
- Ascension: 10 participations
- CrowdCube: 9 participations
- University of Edinburgh: 7 participations
- Parkwalk Advisors: 7 participations
- Cambridge Angels: 7 participations
- NorthInvest: 6 participations
- Meltwind Advisory: 6 participations
- University of Warwick Science Park: 5 participations
- Sofinnova Partners: 5 participations
- Sapphire Capital Partners: 5 participations
- Oxford Technology: 5 participations
- Hoxton Ventures: 5 participations
- Gabriel Investments Syndicate: 5 participations
- Future Planet Capital: 5 participations
- Development Bank of Wales: 5 participations
- Capital Pilot: 5 participations
Thank you

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UK Health Investment landscape

Harriet Hole, Investor Communities Lead
Introduction to Investor Partnerships
Investor Partnerships: accelerating investment

Addressing challenge of innovative SMEs that need:
• support for innovation and access to capital

Bringing together:
• grant funding
• innovative R&D projects in future economy areas
• aligned VC and Angel equity investment

Delivering:
• accelerated investment (11x to date)
• growth at scale through innovation

Investor partnerships between 2017 and 2025:
• £85.5m budgets to date + £80m future commitment
• £75m grants committed
• £34m grants deployed
• 221 SMEs supported
• £203m aligned investment (>2.5x)
• 42 lead investor partners
• £799m in follow-on funding (>8x)
Summary

• Up to £80m of grant funding to businesses over next 3 years
• Aligned investment of at least £100m led by our investor partners, with expectation of over £400m follow-on investment
• Supporting companies with R&D projects within the scope of:
  • Our specific focus areas in the future economy
  • Equality, diversity and inclusion
• Supporting early stage R&D projects with sizes from £50k to £1m and later stage projects up to £2m
• Grant funding will only be offered if the aligned investment from or led by one or more of our investor partners completes
• Regular SME funding rounds starting in March 2023 and running until summer 2024
Specific areas of focus

Health and Wellbeing
• innovative solutions to health and healthcare challenges (Biomedical Catalyst)
• advancing life-changing cancer therapeutics, focused on immunotherapies and paediatric oncology (Cancer Therapeutics)
• the application of extended reality for digital mental health, including immersive content that could be delivered as a digital mental health therapeutic in formal healthcare settings (Mindset)

Net Zero
• capital intensive technologies
• power – particularly offshore wind, civil nuclear, hydrogen, carbon capture and storage, and whole systems integration
• critical circular materials
• heating and retrofit
• battery technologies for transport and energy storage (Faraday Battery Challenge)
• mobility (no longer in scope as budget fully committed)
• resource efficiency for materials and manufacturing (no longer in scope as budget fully committed)

Equality, diversity & inclusion (No Limits)
• innovations from diverse founders or senior decision-makers that are from under-represented groups and are role models
• innovations outside of the future economy theme areas, including those that support under-served communities and groups

Next generation digital technologies
• projects within the creative industries which are underpinned by innovative digital technology as well as sustainable innovations, such as circular fashion (Creative Catalyst)
• adoption of artificial intelligence and machine learning technologies in targeted industries (Bridge AI)
# Summary of funding

<table>
<thead>
<tr>
<th>Research category</th>
<th>Project size</th>
<th>Grant available (as a % of total project costs)</th>
<th>Project duration</th>
<th>Aligned investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feasibility study</td>
<td>£50K to £300K</td>
<td>70%</td>
<td>6 to 12 months</td>
<td>The investment must be at least equal to the grant funding</td>
</tr>
<tr>
<td>Industrial research</td>
<td>£100K to £1M</td>
<td>70%</td>
<td>6 to 24 months</td>
<td>The investment must be at least equal to the grant funding</td>
</tr>
<tr>
<td>Experimental development</td>
<td>£250K to £2M</td>
<td>45%</td>
<td>12 to 24 months</td>
<td>The investment must be at least twice the grant funding</td>
</tr>
</tbody>
</table>

*Research category definitions*
What are we looking for?

- Ambitious companies seeking investment
- Developing innovation with a well defined R&D project
- Links to specific themes
- Investment attractive and investment ready
- Established traction with an investor partner
SME application process

- Investment readiness via Innovate UK EDGE
- Investor connections Innovate UK KTN

1. Investor and SME expression of interest
2. SME makes innovation project application
3. Assessment and confirmation of reaching quality threshold
4. Confirmation of investment additionality and traction prior to funding decision
5. Successful SME starts project setup and monitoring officer assigned
6. Grant Offer Letter produced – investment confirmed and start project

Investment readiness via Innovate UK EDGE
Investor connections Innovate UK KTN
Investor and SME expression of interest
SME makes innovation project application
Assessment and confirmation of reaching quality threshold
Confirmation of investment additionality and traction prior to funding decision
Successful SME starts project setup and monitoring officer assigned
Grant Offer Letter produced – investment confirmed and start project
<table>
<thead>
<tr>
<th>Strategic Fit?</th>
<th>In Scope?</th>
<th>Investment?</th>
<th>Interest?</th>
<th>Apply</th>
</tr>
</thead>
</table>
| Is this programme a strategic fit? | Do you fit with the specific areas of focus? | Do you have interest from one of more of our investor partners? | Do your R&D and investment fit this programme? | - If there’s a strategic fit  
- If you’re ready for investment  
- If you’re in scope  
- If you have investment traction |
| - Highly innovative R&D  
- Capital raising  
- At the same time | Check the areas of interest within:  
- Net Zero  
- Health & Wellbeing  
- Digital & Technologies  
- Equality, Diversity & Inclusion | Engage with our investor partners directly or through Innovate UK KTN | Investor and SME should submit expression of interest together to confirm likely suitability |
| Engage with Innovate UK EDGE to confirm investment readiness | | | |

**Offer / Award**

- High innovation score  
- Investment additionality / traction  
- Completion
References

- **UKRI – Investor partnership website**
  - summarises scope and background of investor partnership programme
  - directory of existing investor partners

- **KTN – Investor partnership website**
  - covers future connecting opportunities (including “office hours”)
  - Searchable directory of investor partners
Funding Options for diverse founders

Mel Ellyard, Founder of Include Me & D-List
Community platform for people from all backgrounds and all colours to come together, share stories, ask questions, learn from one another.

A safe way to communicate and work together to bring about positive change to our region.

Our community includes expertise - to listen, communicate and launch effective campaigns to bring about change needed to make our region a more equal, inclusive and fairer place.
Networking & Opportunities - LinkedIn

Calling diverse HealthTech businesses | Limited FREE places through Include Me | Investment Readiness: Masterclass | 18 October | Leeds

Calling all diverse #HealthTech Innovators at pre-seed and seed investment stage. Available to all regions.

Include Me are excited to be able be able to offer limited free places, worth £600, to our diverse entrepreneurs to attend a new investment readiness masterclass from CRSI.

Connect with influential investors: Northern Gritstone, Mercia Asset Management PLC, Anticus Partners, Equity Gap, Deepbridge Capital, Par Equity, Start Codon, IQ Capital.

Craft a #pitch that stands out to secure investment. Expert guidance to help you create a compelling narrative.

The HealthTech sector is ever-evolving, and understanding it is vital. Gain insights into the latest #trends, emerging #opportunities, and potential pitfalls from experts who've been there.

Hear from successful HealthTech founders, learn from their experiences, and be inspired by their achievements.

This is an amazing opportunity to #supercharge your HealthTech startup's investment readiness!

📅 18th October, 2023
⏰ 07.30-13.30
📍 Leeds
📩 Message if interested and we will send a code for your free place
The D-List is a collection of exceptional entrepreneurs from a variety of backgrounds and walks of life who are innovative and successful in their area of industry.

Improved Search Facility & Filter Results

Event Listings with Speakers

User Account Management

Through our platform D-Listers are visible to large organisations looking for diverse business leaders to represent at conferences, speak on panels and become mentors.
Know the journey
## Funding Stages

<table>
<thead>
<tr>
<th>POC</th>
<th>Pre-Seed</th>
<th>Early Stage / Seed</th>
<th>Growth</th>
<th>Later Stage</th>
<th>Exit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Self funded</td>
<td>Angels</td>
<td></td>
<td>Early-Stage Venture Capital</td>
<td>Trade Sale</td>
</tr>
<tr>
<td></td>
<td>Friends &amp; Family Loans</td>
<td>Angel Syndicates</td>
<td></td>
<td>Private Equity</td>
<td>AIM</td>
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<td></td>
<td>Crowdfunding</td>
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<td>Stock Market</td>
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<td>Accelerators</td>
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<tr>
<td></td>
<td>Incubators</td>
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</tbody>
</table>

- **£0-100k**: Initial funding
- **£100k-1m**: Early stage funding
- **£1-5mk**: Growth funding
- **£5-50m**: Later stage funding
- **£50m+**: Exit funding

**POC (Proof of Concept)**: Early stage of development.

**Pre-Seed**: Self-funded stage.

**Early Stage / Seed**: Funding from friends, family, loans, crowdfunding, accelerators, incubators.

**Growth**: Early-Stage Venture Capital.

**Later Stage**: Venture Capital Series A / B / C / ...

**Exit**: Trade Sale, AIM, Private Equity, Stock Market.
How Start-up Funding Works

Why 100% of Nothing is worth Less than 10% of something big

Inspired by Anna and Mark Vital’s “Splitting the Pie”
Resources

D-List - https://d-list.uk
Barclays Female Founder Accelerator - https://labs.uk.barclays/what-we-offer/our-programmes/barclays-eagle-labs-female-founder-accelerator
Climb24 - https://www.climb24.co.uk
Include Me - https://include-me.com
One Tech - https://www.weareonetech.org
We Can - https://www.leedsbeckett.ac.uk/leeds-business-school/wecan
The purpose of a pitch is to stimulate interest, not to cover every aspect of your startup and bludgeon your audience into submission. Your objective is to generate enough interest to get a second meeting.

Thus, the recommended number of slides for a pitch is ten. This impossibly low number forces you to concentrate on the absolute essentials. You can add a few more, but you should never exceed fifteen slides -- the more slides you need, the less compelling your idea.
Know the language!

Angel Investing School Dictionary

Welcome to the Angel Investing School dictionary. Click on a letter to begin.

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
Barclays Demo Directory Founders

Connecting ambitious businesses seeking growth with investors

BARCLAYS
Are you an ambitious business looking for funding to scale and grow? Register for Barclays Demo Directory to showcase your opportunity to multiple investors.

Once you’re registered, you can create your demo by answering elevator pitch style questions to give a summary of your business and investment opportunity. There’s also the opportunity to include a demo video, plus other media.

Once we’ve approved your application, your demo will go live on the Directory for 90 days, where all the registered investors can view it and ask to connect with you.

Who is Barclays Demo Directory for?
Founders looking for an investor base that ranges from business angels to venture capitalists and covers all industries. There’ll be suitable attested investors who will be viewing your demo and have the amount of funding you’re looking to raise.

Any interested investors will contact you directly to connect offline from the Demo Directory to seek any further information that they may like to know about your business.

Want to register?
Find the guidelines, more information about the Demo Directory and how to register on our dedicated web page.
Barclays Demo Directory
Investors
Connecting investors with ambitious businesses seeking growth

BARCLAYS
Looking to invest in early stage and scaling UK businesses from multiple industries? Register to be on Barclays Demo Directory.

Once registered you can create a profile, showing the business sectors you’re interested in and what size deals you’d like to invest in.

You’ll then be able to select whether you’re a professional or self-certified investor.

Who is Barclays Demo Directory for?

Investors looking to gain access to live demos that have been created by founders. You can filter businesses in the directory to easily find those you’re most interested in. Plus, each business comes with an elevator pitch summary provided by its founders – and they may have included videos too.

You’ll find a mix of pre-revenue and revenue-generating businesses, some raising for the first time and others raising again. If you’re interested in a business, you can connect with them to seek further information about their investment opportunity.