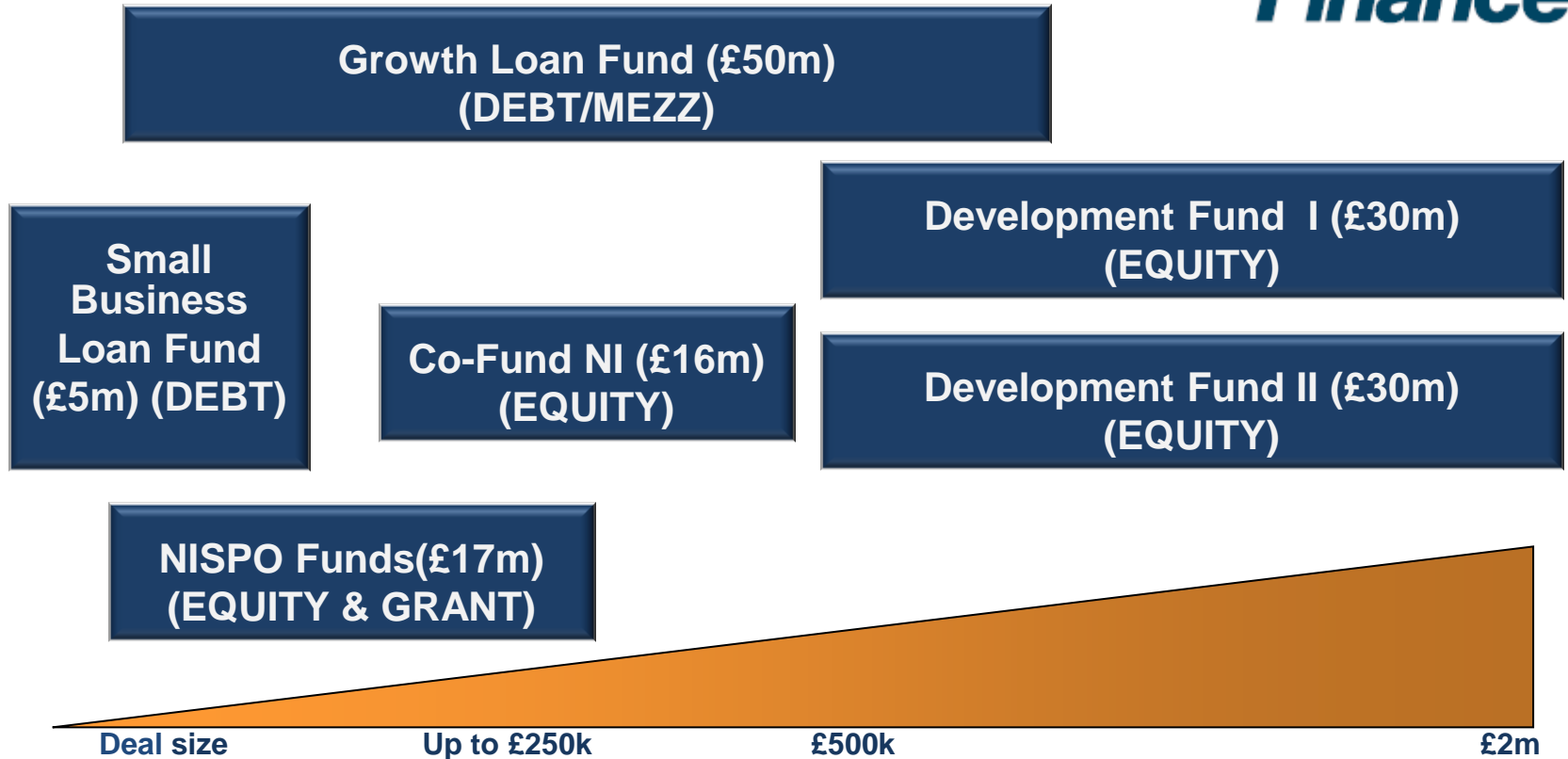


Access to Finance

William McCulla
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Invest Northern Ireland
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Invest NI's Access to Finance Solutions



Provides Risk Capital funding continuum - from start-up to development capital up to £2m

Key Criteria



- Delivery is through externally appointed FCA approved fund managers
- Funds are operated on a commercial basis
- Economic benefits are our priority, but these are best delivered in a commercial context
- Invest NI sets the investment criteria
- All investment decisions are taken by the fund manager

Annual Funding including private leverage



£28m per annum to high growth potential businesses:

•NISPO – start up phase	£5.0m
•Co-Fund – start up and beyond	£3.5m
•Development Funds – growth	£6.0m
•Growth Loan Fund – growth	£12.0m
•SBLF – start up/growth	£1.5m

Approximately 50% of this funding is directly from Invest NI (part funded through ERDF)

50% leveraged from the private sector at fund or deal level.

NISPO Funds (1)



Offering an ENTERPRISE ESCALATOR and managed by E-Synergy

- £14 million Invest NI investment
 - £7 million equity for start up/early stage SMEs – £50k to £250k – 21 investments made to August 2013
 - £2 million seed equity for QUB and UU – up to £200k investment per spin out company – 5 investments made to August 2013

NISPO Funds (2)

- £5 million Proof of Concept grants, non university—
193 awards made to August 2013
- Investment Readiness and Showcasing events
outside Northern Ireland

NISPO Case Study

TreatTicket



- TreatTicket is a daily deal website that offers substantial discounts on a range of experiences and treats from overnight stays and spa packages to restaurant offers and golfing days.
- The investment in TreatTicket by the NISPO Fund will allow the company to expand their market share in the UK and Ireland creating opportunities for both employment and much needed revenue streams.

NISPO 2



- Economic Appraisal complete
- Progressing through approvals process
- Significant expansion compared to NISPO I
- Procurement to commence this calendar year
- Fund manager appointment anticipated early 2014 to commence investment April 2014

Co-Fund NI



- Managed by Clarendon Fund Managers and based on the Scottish Enterprise model.
- Aims to co-invest alongside business angels and other private investors. Angels / private investors lead the deal and set the terms
- Typical deal size between £250,000 and £450,000
- £7.2 million for investment from Invest NI, over 6 years, expected to achieve £16m including private leverage
- 17 equity deals completed by August 2013



Co-Fund NI Case Study

Bubblebum



- Londonderry based manufacturer of inflatable car booster seats
- £500k equity round alongside five private investors to drive sales growth and help fund new product development
- Funding will help roll out of product in Target stores which has 1,800 outlets in the US

Growth Loan Fund



- Minimum loan size of £50k with an estimated 50 loans per annum; typically unsecured loans – terms commercially negotiated
- Target loan size of £50k-£500k to support SMEs with growth potential
- A 10 year project with lending over the first five years
- £50m funding is in place - £25m from Invest NI and £25m from the private sector.
- Managed by Whiterock Capital Partners
- Operational from June 2012 and 48 loans made by August 2013.

Growth Loan Fund Case Study

Reach EPS



- Lisburn based Reach EPS supplies uniforms, screen printing and embroidery services
- Funding has enabled six new staff to be hired
- The £200k loan will enable the firm to expand through investment in IT systems, new machinery and working capital requirements.

Small Business Loan Fund



- Aim to provide loans of between £1,000 and £50,000 on a typically unsecured basis, at commercial interest rates
- Aimed at Micro, SMEs and social enterprises
- Start-ups are eligible to apply for up to £15k and mentoring support is also available
- Ulster Community Investment Plc (UCI) has been appointed to manage this fund
- Launched Feb 2013 and 29 loans made by August 2013



SBLF Case Study

Teamwear Ireland



- Belfast-based firm which manages the design and running of online, bespoke school and club eShops
- £50k loan will enable capital investment and enhancements to the its distribution network throughout Ireland and Europe
- Plans to recruit four new staff with more to come to support sales growth from £675k this year to £1.2m next year

Development Funds



- Two funds of c. £30m each. Deal size £450k to £2million.
- Minister has recently announced that these funds will be managed by Crescent Capital and Kernel Capital
- Each fund is aiming to do deals in 20 companies over the next five years
- Fund Managers were required to raise private capital alongside the proposed £15m commitment being made by Invest NI.

Finance Vouchers

- Finance Vouchers can be used towards the cost of using external consultants to help businesses prepare a funding proposal.
- Small or medium sized business from either the manufacturing or tradable services sectors with growth potential, can apply for a Finance Voucher.
- The Finance Voucher initiative is managed and administered by Invest NI.

Future Priorities



- Ensure that we provide a continuum of debt and equity funding for high growth potential businesses
- Ensure there are no gaps between investment periods
- Encourage co-investment with funds from outside Northern Ireland
- Seek approvals for additional funding should demand exceed supply (NISPO 1 experience)
- Benchmark other regions and determine if there are lessons to be learnt.

Summary



- Provides an overarching strategy for Venture Capital and Loan Funds
- Provides a continuum of funding (£1k-£2m) for early stage and growth companies

Further details of funds available at:

<http://www.boostingbusinessni.com/jobs/access-to-finance/>