



# 2019 ANNUAL REPORT



[northinvest.co.uk](http://northinvest.co.uk)

# 2019 was a transformative year for NorthInvest, who continued to evolve the tech landscape in the North by supporting over 250 early stage tech and digital startups on their funding journeys.

The growing team of 7 also facilitated 186 introductions to investors and over £2m of investment. With an angel network of over 120 investors from across the UK, NorthInvest completed 9 deals in 2019, 3 of which were closed in the final quarter, and each having positive economic impact in the region.

As well as providing 338 free coaching sessions to entrepreneurs, NorthInvest also developed the investor readiness offer in the region by partnering with global tax accountancy, RSM UK, to launch the Tech Mentors: Yorkshire scheme. This free 12-month mentoring scheme connects experienced business people with ambitious entrepreneurs in Yorkshire to provide a platform to help entrepreneurs grow their businesses.

NorthInvest are already enjoying a flying start to 2020, with the closure of 1 investment deal and the submission of 4 applications to Innovate UK as part of the Regional Angel Investor Accelerator Programme. NorthInvest aim to build on this successful start to the year and continue the positive growth trajectory of 2019 by growing the organisation's impact by a further 50% in 2020.



“My founding belief for NorthInvest was to create an organisation which could drive grass roots growth through investment and I’m proud to say the hard work of our talented and expanding team is allowing us to bring together and maintain a cohesive community of active investors along with a strong pipeline of credible founders and startups to enable this.

2019 has seen us broadening our co-investment activities following great success with co-fund deployment, particularly through the award of the Innovate UK fund as part of the Northern Angel Hub and Regional Angel Investment Accelerator programme. The award of this fund has been an important milestone in the evolution of NorthInvest and our funding process and we look forward to increasing our capacity in this area in 2020.”

Professor Adam Beaumont, Founder of NorthInvest

**126**

angels

**+26%**

increase  
in angels

**13%**

female  
entrepreneurs

**10**

deals  
completed

**250**

businesses have  
received support

**338**

entrepreneur  
coaching sessions

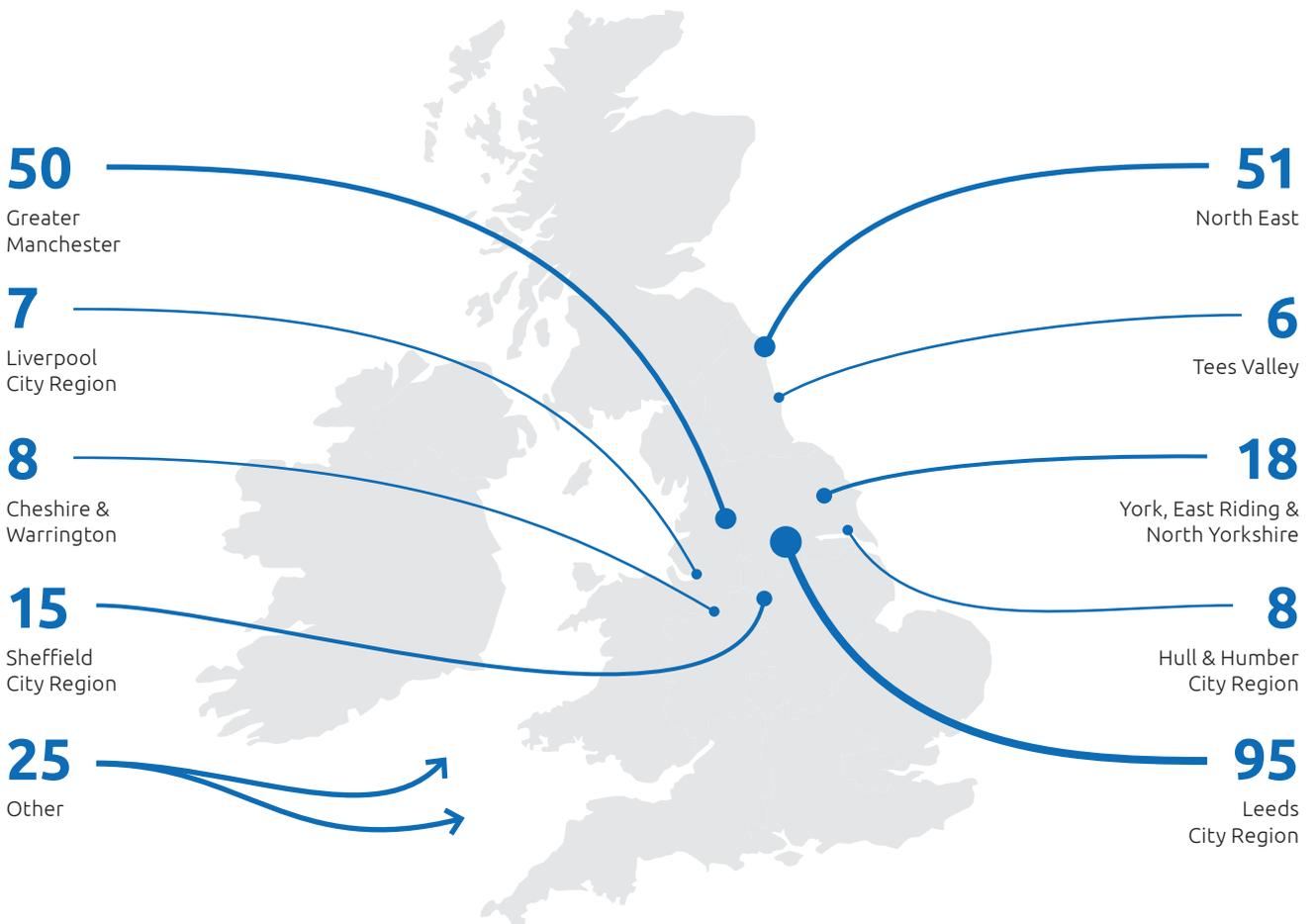
**£3m**

raised for Northern based  
start-ups since 2018

**186**

investor  
introductions

### START-UPS PER REGION



### START-UPS PER SECTOR



**5**

Cyber



**24**

EdTech



**18**

Fintech



**33**

Media



**57**

MedTech



**13**

Tech for Good



**133**

Other

# HOW WE DO IT

## OUR PROCESS



### COACHES

To begin with, we help startups to refine their proposition, messaging and investor approach by providing free advice to entrepreneurs on business plans, pitch documents, and growth strategy.



### MATCHES

We then present startups to our angel network, early stage funding communities and support investment engagements.



### ALIGNS INVESTMENT

Once an investment is registered with the NorthInvest platform, the investment history can be tracked from first round upwards, making follow-on investment simpler and more agile.



### ORGANISES EVENTS

Throughout the year we host events for investors to connect with one another and interact with entrepreneurs in a variety of creative formats. This strategic networking enables important relationships to be formed within the community.

“ We set ambitious goals in 2019 to double our impact by helping 200 entrepreneurs, facilitating 10 investment deals, and raising £1m for Northern-based startups.

We're delighted to say that we exceeded each of these goals and are eager to continue to scale our work this year by doubling our impact yet again. In 2020, we're excited to continue to leverage our valuable relationship relationships with corporate partners and funding networks to provide investment support to early stage tech startups and help the tech sector in the North reach its potential. We also look forward to continuing our mission to address both the regional and gender investment gaps by actively engaging with female investors across the North of England. We aim to expand the segment of female investors in our investor network to 16% and facilitate the flow of equity investment to female-backed tech businesses in the region.”

Helen Oldham, Founding Board Director



# EVENTS

In 2019, NorthInvest hosted and supported 54 events across the region - from Pitch Events in Leeds and Newcastle, to Investor Dinners, workshops and large-scale sector-specific events to engage the startup community across the region.

## INVESTOR DINNERS

Angel Investor Dinners connect active investors at the heart of our community to form relationships with fellow angels, discuss shared ambitions and opportunities, and dive into investment-related topics with peers.

## PITCH EVENTS

Our pitch events in Leeds and Newcastle invite investors to hear a live pitch from up to six startups in an informal environment where they can ask questions, give feedback, and discuss propositions directly with entrepreneurs.

## SUMMIT & CONFERENCE EVENTS

NorthInvest build a diverse and much-needed sector conversation by partnering with specialist organisations to host quarterly public events to bring together a wide range of sector community members, including investors and entrepreneurs, to discuss technical, financial and regional strategy approaches across our five investment areas. Successful partner events this year include a Cyber Security Summit in February with the University of Leeds, and Tech for Good Conference with Bruntwood in June.

## ANGELS OF THE NORTH: FEMALE FOUNDERS & INVESTORS

NorthInvest actively support and champion diversity in the tech startup ecosystem and have been committed to an inclusive approach to investing. We offer bi-monthly events for under-represented female tech founders and investors to share advice and expertise, as well as nurture relationships within this expanding segment of the financial world. These events have culminated in supporting the annual Women Angels of the North investment forum with the UK Business Angels Association (UKBAA).



# WHO WE WORK WITH

NorthInvest are dedicated to forming strategic partnerships with corporate partners who share our ambitions to support Northern-based tech, and digital startups, as well as catalysing the development of emerging technologies.

In 2019, NorthInvest partnered with Arup, an independent and employee-owned firm of designers, engineers, architects, planners and technical specialists - working across every aspect of the built environment to combine the company's world-leading expertise with NorthInvest's established network within the startup community.

The flourishing partnership saw both organisations work together to coordinate a series of three 'Tech Talk' events over the course of the year. These events, facilitated by NorthInvest, enhanced opportunities for internal teams at Arup to collaborate with ambitious local entrepreneurs, exchange knowledge around emerging technologies, and discover new models of commercialisation to drive digital innovation.

The first of these Tech Talks took place in April 2019 at Arup's Rose Wharf Office. Along with the Arup team, attendees heard from up-and-coming startups in the region on emerging technologies and the built environment. In July and October, Arup and NorthInvest returned again to bring together some of the brightest minds in the region to discuss the subjects of using AI to solve real-world problems: such as real-time traffic management, end-to-end IOT device encryption, as well as sustainable 'clean' technologies. Over the course of the events, attendees discovered how emerging technologies are reinvigorating industries, and how they could significantly improve services for clients.

Speakers for the Tech Talks series include: Mark Davies, CEO of IOETEC; Keith McCabe, CEO of Simplifai; and Alex Craven, CEO of The Data City and a member of the Digital Working Group for Leeds Enterprise Partnership (LEP); David Williams, CEO of Requench; Jon Fenton, CEO of FeTu, and James Fairchild of Alpha Power.



The strategic partnership also makes valuable support accessible for entrepreneurs and early stage startups across the Leeds City Region, and we hope to develop this support by co-hosting a Pitch & Match initiative with Arup in 2020.

The Pitch & Match programme aims to establish relationships with young and innovative companies associated with NorthInvest, who are working to create a better built environment by developing technologies addressing environmental and sustainability challenges. NorthInvest will assist Arup in finding such companies whose work resonates with the firm, and who can identify a particular challenge or opportunity for mentorship which Arup might support.

With smart cities, IOT devices and big data rapidly becoming key element to the built environment, and consequently transforming how the industry plans and designs, collaboration is key to helping Leeds City Region take its place on the world stage of sustainable development.



## START-UP CASE STUDY

### GOBUBBLE

GoBubble is a pioneering EdTech start-up, which offers children a safe social media experience, founded by award-winning e-safety pioneer Henry Platten.

In 2019, GoBubble raised more than £300,000 from a variety of private investors across the UK, including several angel investors who are part of the NorthInvest community. These were Rich Hannam, Chris Jones and Dr David Pearce - who invested alongside business partners Peter Laithwaite, Eric Peele, and Juan Santana Medina.

Following a successful beta, GoBubble currently has users across 24 countries, and in 26 US states.

The GoBubble global community offers children, educators, and families the opportunity to create and communicate in a safe digital space; with market-leading AI moderation securing the platform, and ensuring that any potentially harmful content is prevented from being shared.

The funds raised by this investment round will go towards accelerating the startups already rapid organic growth, and developing the platform to enhance the functionality, adaptability and continued expansion.

**£300,000**

total investment in 2019

GoBubble has users in

**24 countries**

## ANGEL INVESTOR PROFILE

### DR DAVID PEARCE



General Practitioner turned Entrepreneur and Investor; David has worked in the medical and legal sectors since 2000. After exiting from iSaaS Technology in 2013, David became CEO of Nephos Solutions - a Leeds-based cloud-based professional case management applications, developing bespoke software applications for the administration of personal injury cases. As an active member of the NorthInvest angel community, both as an investor and mentor to early-stage entrepreneurs, David has contributed to 7 funding rounds through NorthInvest, alongside fellow angel investors and business partners at Nephos Solutions.

Startups supported by Nephos include GoBubble, Dyman Advanced Materials, Renephra, Dales Land Net, Deeno-Saur and Calbot - a B2B meeting scheduler platform that recently won a 'One to Watch' award for Top Tech Yorkshire 2019.

As part of Leeds Digital Festival 2019, Nephos Solutions also co-hosted the Nephos 100k Startup Challenge with NorthInvest. The competition saw 5 short-listed entrepreneurs pitch in front of a live audience, and judging panel, to compete for £100,000 worth of liquid capital and sales, marketing and development support. Winners EdTech social enterprise, Lift Lessons, relocated from London to Leeds following the offer of this support.



## START-UP CASE STUDY

### BIKEZAAR

bikeZaar is an online marketplace that brings together independent bike-shop owners from across the world, and helps them compete with large online retailers through technology. In 2019, the e-commerce disruptor raised a six-figure investment round with the help of NorthInvest – with part of the funding contributed by NorthInvest angel investors, and world-renowned Olympic triathletes, Alistair Brownlee MBE and Jonny Brownlee, who were advised by Gordons LLP.

The online marketplace, founded by cycling enthusiast Kevin Griffiths, aims to support traditional bike specialists by utilising technology, and savvy logistics, to integrate brick and mortar stores with the online community. The platform allows customers to compare products from independent stores across the UK, regardless of their geography, and purchase online with the order conveniently delivered to their door.

This approach effectively combines the benefits of online-only retailers, such as Amazon, with the unique selling point of a specialist high street store.

*“It has been a pleasure to work with NorthInvest, and Gordons LLP, on the investment in bikeZaar. NorthInvest presented us with the opportunity, and have offered advice at every stage of the investment process. We hope bikeZaar will provide the much-needed synergy between online retailing, and the local bike shop. Local bike shops have provided us both with crucial support from the beginning of our athletic careers, and we still feel there is a crucial role for them to play. By allowing bike sales to be facilitated through local bike shops, we hope more people will be able to enjoy cycling regularly, and on properly working and fitted bikes!”*

Alistair Brownlee MBE, NorthInvest Angel

## ANGEL INVESTOR PROFILE

### CHRIS JONES



Chris Jones is an experienced Angel Investor, and Board-level advisor, holding directorships in multiple tech ventures, with a specialist interest in Cyber Security. Chris is currently CEO of ethical property investment company, Hive Property Group, as well as an active investor as part of the Northern Angel Hub across both the NorthInvest and Innovation SuperNetwork angel groups.

Chris uses his experience as a company director with a strong technical background in aerospace, aviation, and engineering to act as a business mentor to assist startups in becoming investment ready.

As a consultant at government-level, and in the FTSE-100 corporate sectors, Chris is also a sought-out international speaker in Cyber Security and co-author of the latest International standard for Business resiliency and disaster recovery.

Most recently, Chris invested alongside NorthInvest angels, Dr David Pearce and Rich Hannam, in child-friendly social media platform GoBubble; attracted to the startup by its mindful approach to online security, and holistic approach to social media consumption.



## FUELLING THE FUTURE OF THE NORTH: OUR SOCIAL IMPACT IN 2019

### INVESTOR READINESS SUPPORT

NorthInvest are committed to driving a positive social impact through their not-for-profit model. We actively engage with the funding and tech startup ecosystem across the Northern Powerhouse region to determine areas requiring attention and support. Following appetite from our angel investor community of experienced business people, and feedback from local startups, we determined that a programme of sustained business mentoring would be a catalyst to the development of early stage startups, and increase our capacity to help startups become investment ready.

In September 2019, we partnered with leading audit, tax and consulting firm RSM UK to launch Tech Mentors: Yorkshire; a free 12-month mentoring programme for tech and digital entrepreneurs based in Yorkshire. The programme - developed with NorthInvest angel investor, and a finalist for 2019's Mentor of the Year at the NMA awards, Gareth Healey matched 14 mentoring pairs of experienced business leaders, and up-and-coming tech founders, to help expedite the growth of their business.

### SUPPORTING FEMALE FOUNDERS & INVESTORS

As well as addressing the regional investment gap by facilitating the flow of equity investment to the Northern region, through our involvement in the Regional Angel Investment Accelerator programme by Innovate UK, we are also committed to addressing the gender investment gap in the industry. In a survey of 500 women-led startups, All Bright found that of the 75% seeking funding, 22% had experienced difficulty in accessing funds, which left them feeling they were not being heard.

Meanwhile, Forbes have identified that women are generally more successful in startups. In a survey published in 2014, they found that female-led startups yielded a 35% higher ROI when venture-backed than male-led startups, and generated 13% more revenue with 50% less investment.

The UKBAA stats show that only 14% of angels in the UK are women. A female angel is 50% more likely to have backed a female founder; demonstrating the need to increase capacity in the investor space. We're proud that our investor network comprises of 13% female investors, who are active in supporting the female founder community, and aim to increase this percentage further in 2020.

# INNOVATE UK REGIONAL ANGEL INVESTMENT ACCELERATOR PROGRAMME

Following research conducted by the UK Business Angels Association and Beauhurst - which illustrated that almost two thirds of all early stage investment goes into companies in London, the South East and the East of England - Innovate UK funded three Regional Angel Investment Accelerator (RAIA) pilot programmes, delivered by Angel Investor Partners (AIPs).

In 2019, NorthInvest was invited to deliver one of these pilot programmes as part of the Northern Angel Hub - an Angel Investor Partner formed alongside Innovation SuperNetwork, and North East Business and Innovation Centre (BIC), in partnership with the UK Business Angels Association.



The consortium received £1m from Innovate UK to encourage the flow of investment and expertise to innovative early stage small and medium companies across the North East, Yorkshire and North West regions.

Successful businesses receive a grant of up to 50% of the costs of a specific innovation project, which can last up to 12-months, and has total project costs between £40K and £300K. Concurrent angel investment match-funding the total grant amount then allows businesses to meet the rest of the costs, and grow the business beyond the project.

NorthInvest have supported 5 successful Innovate UK grant applications through the RAIA programme, deploying £490,000 of IUK grant funding into pioneering startups during the first year of the two year programme.

This grant funding was then match-funded by angel investors across the NorthInvest and Innovation SuperNetwork investor groups; totalling almost £1m of funds raised for regional startups.

“As the UK trade body for business angel and early stage investing, we’re delighted to partner with NorthInvest, Innovation SuperNetwork and the North East Business Innovation Centre (BIC) to establish the Northern Angel Hub, and deliver the regional AIP in the North.

This collaborative consortium offers a crucial focal point to connect and grow the early stage investor community, and support local start-ups by increasing access to risk capital, as well as building investor capacity to increase the level of investment in early stage innovation across the region, whilst attracting wider national co-investment.”

Jenny Tooth OBE, CEO at UKBAA

## START-UP CASE STUDY

### RENEPHRA

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2019 saw huge progress for MedTech firm Renephra, who saw their second round of funding- facilitated by NorthInvest and the Innovation SuperNetwork as part of the Regional Angel Investment Accelerator programme - take them another step closer to bringing their product to market. The startup, originating from the University of Manchester, has developed a patented transdermal fluid removal device that removes excess interstitial fluid through the skin. This innovative technology secured Renephra's successful application for Innovate UK grant funding, as part of the RAI A programme.

The product looks to help alleviate the significant ongoing medical problems associated with fluid overload within the human body; often suffered by people going through treatments like chemotherapy and with conditions like chronic oedema, lymphoedema or heart failure.

The device is a minimally invasive, and more cost effective alternative to the current solutions of diuretics, dialysis and ultrafiltration.

**“As an early investor in Renephra with NorthInvest, it's very exciting to be part of a second round with the pioneering startup. With this follow-on investment, Renephra are another step closer on their journey to developing novel technology for treatment of fluid overload and chronic oedema - a product which could have a huge clinical impact, both on patient quality of life and scarce health service resources.”**

Sarah Jones, NorthInvest Angel

**£60,000**

Total 2019 investment (30k was invested by NorthInvest Angels, Sarah Jones and David Pearce. Match funded by Innovate UK as part of the RAI A programme)

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**8+**  
**investors**

Current investors include: Deepbridge Capital, Catapult Ventures, GM&C Life Sciences Fund, MTI Ventures, SPARK Impact, Central Manchester NHS Foundation Trust, The University of Manchester, Individual investors.

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## START-UP CASE STUDY

### DALES LAND NET

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As part of the RAI A programme, Bradford-based flood prediction startup, Dales Land Net is among five startups in 2019 who were awarded grant funding from Innovate UK (IUK). Dales Land Net succeeded in raising £30,000 through NorthInvest and Innovation SuperNetwork's investor groups. This raise was then match-funded by IUK to total £60,000.

The AgriTech startup takes ground-based moisture readings, relayed in real-time, using IoT networks to build informed hydrology models to improve water management. The technology has a wide range of applications to protect assets, including in agriculture, land, water, and flood management industries. Dales Land Net, led by CEO Neale Hall, are currently working with Fera Science and Precision Decisions to develop a national real-time, soil moisture monitoring network that can be used across the UK -influencing decisions for irrigation and the application of fertiliser, herbicide and pesticide, as well as assisting with flood prediction and abatement.

**“Dales Land Net are an exciting example of the emerging AgriTech industry in the North of England. The Environment Agency stated in a report covering 2015/16 that in the UK winter flooding alone cost £1.6 billion nationally, and with the increasing environmental impact of climate change, Dales Land Net are offering a commercial solution to understand the real risk of flooding in key areas; allowing flood management teams to take proactive action to reduce disruption, decrease damage to property and save lives.”**

Jonathan Straight, NorthInvest Angel

**£60,000**

Total 2019 investment (Match-Funded by Innovate UK as part of the RAI A programme)

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**3+**  
**investors**

NorthInvest Angels include: Sarah Jones, Dr David Pearce and Jonathan Straight

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2019 would not have been such a successful year for NorthInvest without the help of our partners and supporters.

We would like to say a huge thank you to our partners and our supporters for helping us continue to build communities and accelerate growth within the North by mentoring the future generation of tech innovators.

A big thank you to Arup for the design of our 2019 Annual Report.

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Partners



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Supporters



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To find out more visit:

[www.northinvest.co.uk](http://www.northinvest.co.uk)

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