



Ulster Bank

From Innovation to Impact: Northern Ireland

**Growing
Together**



Northern Ireland's commercialisation opportunity

Northern Ireland has developed a distinctive and increasingly important innovation economy, combining strengths in advanced manufacturing, cyber security, life sciences, agri-tech and digital technology. Home to 490 innovative businesses and 297 recipients of public innovation grants, Northern Ireland has built a strong platform for innovation-led growth, supported by close links between businesses, universities and government.

Despite its smaller size relative to other parts of the UK, Northern Ireland performs strongly on several measures of commercialisation. The region has one of the highest rates of grant-backed firms securing commercial outcomes and consistently outperforms many larger UK regions. This reflects a strong innovation ecosystem and a growing focus on translating research and innovation into business growth.

However, the central finding of NatWest's From Innovation to Impact report remains relevant. While Northern Ireland has demonstrated an ability to generate innovative businesses and attract investment, there remains an opportunity to help more firms translate innovation into commercial scale. Our analysis identifies 98 businesses that continue to trade and innovate but have not yet

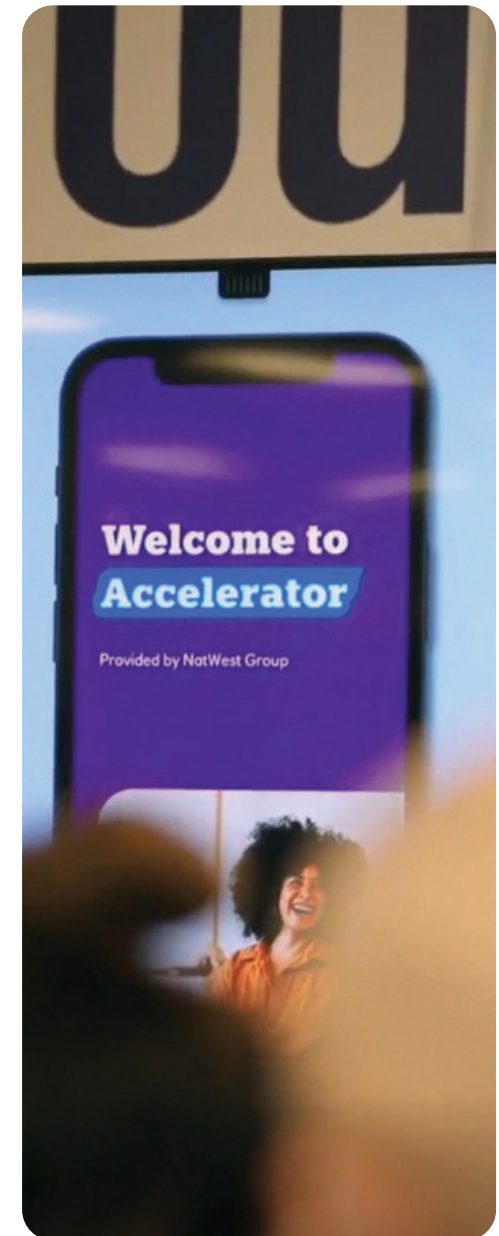
secured follow-on investment, achieved an exit or demonstrated a scale-up signal. We describe these firms as the untapped innovation cohort. They are not unsuccessful businesses. Rather, they represent innovative companies that have yet to convert innovation into measurable commercial growth.

At 33.0% of grant recipients, Northern Ireland's untapped innovation cohort is significantly smaller than the UK average of 38.1%. This suggests that Northern Ireland performs relatively well at helping innovative businesses commercialise and grow. Nevertheless, the existence of almost 100 businesses within the cohort demonstrates that there remains considerable scope to unlock additional growth from firms that are already innovating.

Northern Ireland records some of the strongest commercialisation outcomes anywhere in the UK. 27.3% of grant-backed firms have secured follow-on equity investment, above the UK average, while 13.5% have achieved an exit, one of the highest regional exit rates. Most notably, 10.8% of firms are classified as scaling businesses, the highest proportion of any UK region in the dataset. Together, these figures suggest that Northern Ireland has been particularly successful in supporting businesses as they move from early-stage innovation towards commercial growth.

The findings of NatWest's report suggest that successful commercialisation depends on more than investment alone. Businesses consistently highlighted the importance of access to talent, leadership capability, commercial expertise, customer networks and routes to market. Northern Ireland's relatively strong performance suggests these factors are already working well in many parts of the innovation ecosystem, but further progress will depend on ensuring that innovative businesses can continue to access the support they need as they grow.

Northern Ireland also benefits from a strong research and university base. The region is home to 108 academic spinouts, with 70 also receiving public innovation funding. This highlights the important role universities play in generating new technologies and businesses, and the importance of maintaining strong pathways between research, investment and commercialisation.



Turning Innovation into Economic Growth

The opportunity for Northern Ireland is therefore not simply to create more innovation, but to help more innovative businesses achieve commercial scale. Supporting the untapped innovation cohort to grow would strengthen productivity, create skilled jobs and attract further investment. Northern Ireland already performs strongly against many UK regions on commercialisation measures. The challenge is also already reflected in Northern Ireland's wider economic ambitions. Through the Department for the Economy's focus on innovation-led growth, productivity and supporting high-growth businesses, there is increasing recognition of the importance of helping innovative firms move from research and development to commercial success. Alongside supporting innovation and entrepreneurship, there is an

opportunity to further strengthen the pathways that help businesses access investment, develop new markets and achieve sustainable growth.

For the full analysis and policy recommendations, scan the QR code to read NatWest's From Innovation to Impact report.



(1) Source: Beauhurst. Please see next page for further information.

Northern Ireland by numbers¹

490

innovative businesses.

108

academic spinouts.

40

businesses have achieved an exit.

98

businesses sit within the untapped innovation cohort.

£629m

in follow-on equity investment attracted by grant-backed firms.

297

recipients of public innovation grants.

81

businesses have secured follow-on equity investment.

32

businesses have demonstrated a scale-up signal.

33.0%

of grant-backed firms are in the untapped innovation cohort (UK average: 38.1%).

Northern Ireland Snapshot

- › **13.5%** exit rate, among the highest in the UK.
- › **27.3%** of grant-backed firms have secured follow-on investment.
- › **10.8%** of firms are classified as scaling businesses, the highest rate of any UK region.
- › **108** university spinouts, with nearly two-thirds also receiving public innovation funding.
- › One of the smallest untapped innovation cohorts in the UK.

The untapped innovation cohort refers to businesses that remain active but have not yet secured follow-on investment, achieved an exit or demonstrated a recognised scale-up signal.

Additional information

The analysis of UK public innovation grants in this report was provided by Beauhurst. The underlying dataset covers UK companies that have received at least one publicly disclosed innovation grant since 2011 that have received at least one publicly disclosed innovation grant, including Innovate UK funding. The analysis examines 12,381 grant recipients and tracks their subsequent commercial outcomes using Beauhurst's company-level data.

Companies were classified into one of five mutually exclusive categories: Exited (acquired, listed or sold to new owners), Follow-on Equity (secured additional equity investment), Scaling (identified as achieving high growth without a recorded equity event), untapped innovation cohort (still trading but with no recorded exit, follow-on equity or scale-up signal), and Ceased (no longer operating). Outcomes were applied in that order, ensuring each company was counted once.

Regional analysis is based on companies' registered addresses. Follow-on equity figures include all equity investment raised by grant recipients and should be interpreted as an association rather than a direct measure of grant impact. Throughout the report, the term "Untapped Innovation Cohort" refers to firms that remain active but have not yet demonstrated a tracked commercialisation outcome.

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