

Raising Capital Summit 2022

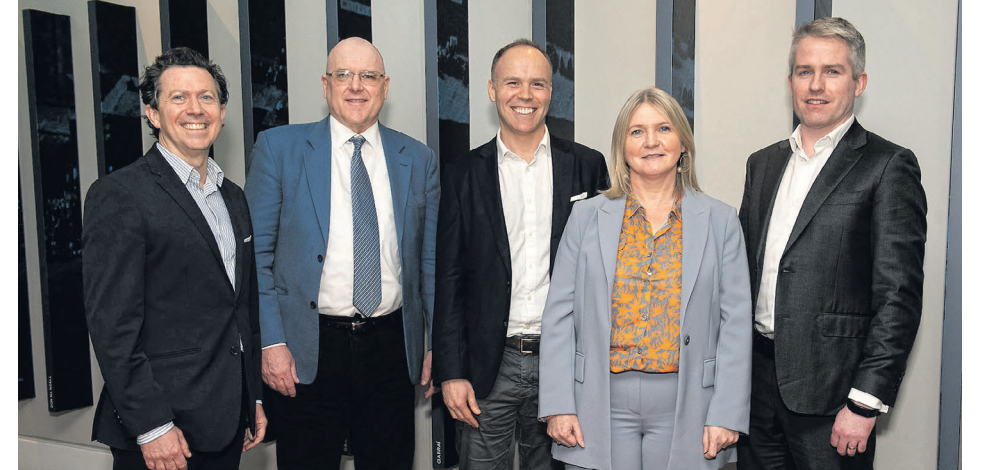


Brian O'Connor, investment director, Ireland Strategic Investment Fund; Conor O'Sullivan, investment director, Atlantic Bridge; Niall Jones, head of listing Ireland & UK, Euronext; Grace Aungier, conference director, iQuest and Business Post LIVE; Ivan Yates, entrepreneur, broadcaster and Summit host; Donal Mac Nioclais, investment director, Waterland Private Equity Investments; Sarah Bogossian, director, corporate finance, investment banking, Goodbody Stockbrokers and Don Harrington, director, corporate finance, investment banking, Goodbody Stockbrokers

Pictures: Maura Hickey



Kevin MacSweeney, head of new investments and origination, Broadlake Capital; Denise Sidhu, partner, Kernel Capital; Chris Burge, chief executive of Spark CrowdFunding and Lauren Sharpe, investor, BGF



Jim Joyce, chief executive and co-founder, HealthBeacon; Peter A Jensen, chief executive and chairman, Normax Biomed; Niall Jones, head of listing Ireland & UK, Euronext; Eimear Moloney, non-executive director, Kingspan Group, Irish Continental Group, Hostelworld Group and Channele Pharmaceuticals Group and John Flynn, director, corporate finance, Goodbody Stockbrokers

Ensuring capital for the next generation

Times may be uncertain, but for investors and businesses that are prepared, there are more options than ever available for getting capital, writes **Quinton O'Reilly**

When opening the fourth Raising Capital Summit, summit chair Ivan Yates, entrepreneur and broadcaster, accurately described it as a "fascinating day" for those attending.

Speaking to more than 200 people in Croke Park on Wednesday, November 16, he said this event has a dual audience: entrepreneurs seeking to raise capital and those providing expertise. And while there are definitely headwinds, the deals pipeline is strong.

Before the summit properly started, welcome remarks came from Sarah Murphy, chief executive of the Business Post, who said that despite the uncertain times we live in, there are a lot of positives to take away.

"I don't have to tell you that the economic landscape is deeply uncertain," she said. "Investors are trying to navigate risk in a different position than 12 months ago. Regardless of that market sentiment, there's a lot of business being done and that's the big positive."

The first panel session concerned the market outlook for Irish companies.

It involved Conor O'Sullivan, investment director at Atlantic Bridge, Donal Mac Nioclais, investment director at Waterland Private Equity Investments, and Brian O'Connor, investment director at Ireland Strategic Investment Fund.

When speaking about valuations regarding university bridge startups, O'Sullivan mentioned that many of them are pre-revenue and pre-commercial so the considerations are different, but it all comes back to the fundamentals.

"What you look for at any stage is the ambition of the management

team, the product differentiation, the plan and milestones they have in place," he said. "They have to de-risk the product before they bring it to market and also raise the next round of fundings; it's all about milestones at those very early stages."

The following discussion was on raising capital in the current market and the key considerations required. Both participants, Don Harrington and Sarah Bogossian who are directors of corporate finance in investment banking at Goodbody Stockbrokers, said their outlook was optimistic while acknowledging the challenges that face businesses.

The good news, said Bogossian, is that there's nothing new in the issues they need to consider, but that doesn't mean companies get it right when pitching.

"The unfortunate truth is that we still meet and advise quite a lot of companies who aren't prepared for when they go to market," she said. "Simple things are still the most important to get right, and if you don't, they cost you dearly."

"Make sure you have a clear message and articulate your investment opportunity well, that sounds basic but a lot of companies don't get that right."

The second section shone a spotlight on both founders and chief executives with the next talk focusing on raising equity capital from international investors. Speaking about it, Peter A Jensen, chief executive and chairman of Normax Biomed, talked about



Tara Dalton, chief executive, Altratech; inset: Gavin Fox, director, Martinsen Mayer



the work it does with mRNA vaccines and referenced earlier panels on how important it is to tell a compelling story.

Following that was a panel discussion on the process behind taking a company public, this time chaired by Niall Jones, head of listing for Ireland and the UK at Euronext.

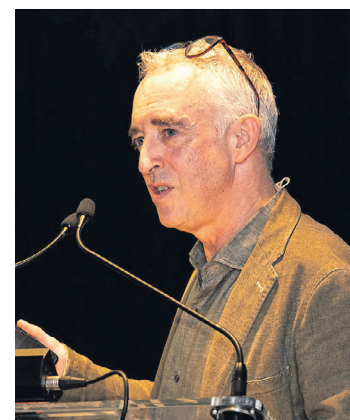
On his panel was Eimear Moloney, non-executive director for Kingspan Group plc, Irish Continental Group plc and Channele Pharmaceuticals Group, Jim Joyce, chief executive and co-founder of HealthBeacon, and John Flynn, director of corporate finance at Goodbody Stockbrokers.

Flynn boiled down the stages of an IPO into three key sections. Early engagement with investors, where you present your equity

story, determine the level of appetite and what valuation metrics the market is going to put on the business and then the formal roadshow.

After the coffee break, the focus changed to finding the right investment partner with a panel on founder considerations. It featured John Ryan, founder and chief executive of Gigable, Conor McGinn, co-founder and chief executive of Akara Robotics, Riona Ni Ghriallais, co-founder of ProVerum, and Sonia Neary, chief executive and co-founder of Wellola and covered a wide range of topics and industries.

When all were asked about lessons learned, Neary mentioned that finding a financial advisor early on can help things while Ni Ghriallais said to keep in mind that these processes will always take longer than you expect.



John Phelan, all-Ireland director, Halo Business Angel Network



Tom Early, head of funding and scaling solutions, Enterprise Ireland

tioned that funders are thinking about exits when they meet you. "Building trust with your customers, suppliers, vendors and amongst your team is critical," he said. "Being on the journey is more important than the destination and you need to change when change happens."

The final panel before the lunch break was on assessing debt finance solutions and that featured Ciara McGovern, investor at Beach Point Capital Management, Raymond Hegarty, chief executive at Intaval, Clive Lennox, VC & investor relationships at Silicon Valley Bank, and David Bateman managing partner at Claret Capital.

McGovern advised those in the room that there's no such thing as being too prepared to raise equity.

"Investing in your finance function and being well prepared when you're looking to raise equity is really important," she said. "There is no level of preparedness that you can't go beyond as far as we are concerned."

Growing your business

After lunch, the focus was on finding the right capital for growth with the penultimate panel session looking at securing growth capital. It included Chris Burge, chief executive of Spark CrowdFunding, Kevin MacSweeney, head of new investments and origination at Broadlake Capital, Lauren Sharpe, investor at BGF, and Denise Sidhu, partner at Kernel Capital.

Elaborating on a point made by Sidhu, Sharpe mentioned that you must be clear in your own mind about what your objectives are and what you need from a funder.

"Everyone brings something completely different to the table so establishing as a founder a management team, what are your ambitions for the next five years and know that up front," she said. "If you're ready to hand over the keys, you should be having a different type of conversation."

Following that was a talk on accessing government funds from Tom Early, the head of funding and scaling solutions for Enterprise Ireland. Of the many supports Enterprise Ireland provides, Early

stressed the importance of knowing your aims before approaching them.

"If you come to Enterprise Ireland and ask what grants we have, it's the wrong conversation," he said. "What you need to do is start with what your strategy to grow and expand is. You engage with us and then we'll identify the supports you need rather than the ones you think you want."

The conversation moved onto angel investing with John Phelan, All-Ireland director of Halo Business Angel Network (HBAN) who compared the work they do to a dating agency, in that they don't make a decision on who to invest in but match investors and companies up.

The final section focused on growing your business with a chat with Gavin Fox, director of Martinsen Mayer, who talked about the importance of recruitment. During it, Fox mentioned that on the type of people who are getting hired, those people in their second career are worth keeping an eye on.

"The second career people are interesting to work with, those who had a career and gone back to get re-educated... and want to work in tech, they're amazing to work with because they've made a functional decision to work in an industry."

The final panel discussion was on meeting the challenges of growing your business and featured Martina Fitzgerald, chief executive of Scale Ireland, Mike McGrath, chief executive and co-founder of Kwayga, Claire McHugh, chief executive and co-founder of Axonista, and Helen Cahill, chief executive of InvoiceFair.

In a diverse conversation involving different industries and their respective challenges, Yates asked the panel to give a key piece of advice. McHugh's response was to not be afraid to say you don't know the answer to a question as you might learn something from it.

That drew the Raising Capital summit to a close and with next year's one already in the books for November 2023, this year's summit has armed entrepreneurs and funders with the information to navigate the next 12 months.



Conor McGinn, co-founder and chief executive, Akara Robotics; Sonia Neary, chief executive and co-founder, Wellola; John Ryan, founder and chief executive, Gigable and Riona Ni Ghriallais, co-founder, ProVerum



David Bateman, managing partner, Claret Capital; Clive Lennox, VC and investor relationships, Silicon Valley Bank; Roman Horgan, chief executive, Capitalflow; Ciara McGovern, investor, Beach Point Capital Management and Raymond Hegarty, chief executive, Intaval



Mike McGrath, chief executive and co-founder, Kwayga; Martina Fitzgerald, chief executive, Scale Ireland; Ivan Yates, entrepreneur, broadcaster and Summit host and Claire McHugh, chief executive and co-founder, Axonista