

● High-growth Nottinghamshire

 Beauhurst


INVEST IN NOTTINGHAM

 European Union
European Regional
Development Fund

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ENGINE

Contents

- 1 Foreword: Lorraine Baggs
- 2 Executive summary: Henry Whorwood

- 3 Nottinghamshire business demography summary
- 4 Nottinghamshire map
- 5 Nottinghamshire universities
- 6 Top companies by growth
- 7 Top companies by investment
- 8 Top sectors
- 9 Spotlight sectors
- 11 Investment trends
- 12 Top investors
- 13 Spinout companies
- 14 Accelerators
- 15 Outlook for the future

- 16 Methodology
- 17 About





Lorraine Baggs •

Head of Investment at Invest in Nottingham



Nottingham is an ambitious city with a strong, independent spirit and a thriving business population. It is a city that isn't afraid to disrupt the status quo and do things differently, making it the perfect place to grow a business – as the high-growth companies featured in this report demonstrate. Nottingham is known for its resilience, compassion and community spirit – qualities that are present in the city's pioneering spirit today thanks to the legacy of Robin Hood.

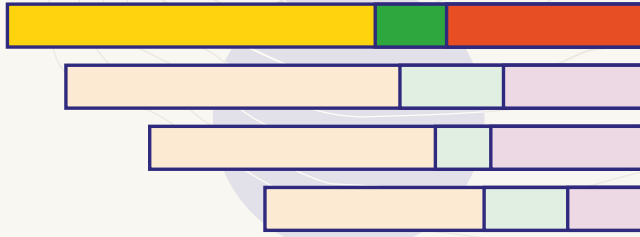
Global companies, either born in Nottingham, influenced by its pioneering roots, or attracted to the city such as Boots, E.ON, Experian, Capital One, and Paul Smith often provide a gravitational pull for new and growing businesses to Nottingham. This includes spinouts too – from businesses and universities – which we see in this report. The diversity of sectors present in the local economy gives us some insurance against shocks and positions Nottingham and Nottinghamshire for growth, investment, and job creation.

It is fascinating to see the breadth of the 482 active, high-growth businesses based

in Nottingham and Nottinghamshire. These companies truly represent the strength of our universities, the city's world-recognised historical innovation, and the hugely significant amount of infrastructure and regeneration investment Nottingham has seen in recent years.

Access to people will always be a key driver for investment in any location. Happily, Nottingham is well positioned geographically (it is so centrally located that 77% of the UK's entire population is within a four-hour drive and there are 2.1m people in its travel to work area) and also positioned well for engagement with universities, allowing access to partnerships and skills. And the population is young—an estimated 61% of the population are under the age of 44 years old – indicating a fresh, innovative, and strong talent pool.

The Invest in Nottingham team, our universities, and our solid and stable ecosystem will work to plug gaps left following the cessation of funding from the European Union and will help to ensure Nottingham's businesses continue to thrive and lead the way for others.



• Henry Whorwood

Head of Research and Consultancy at Beauhurst

This report highlights the incredible potential of the high-growth ecosystem in Nottinghamshire. Beauhurst's Nottingham office has allowed us to witness Nottinghamshire's strengths first-hand, whether it be the region's budding life sciences spinouts — supported by the universities — or its industrial heritage. The county's most prominent hub is unsurprisingly Nottingham, and this can largely be attributed to its impressive talent pool — in part drawn from local and surrounding universities — and supported by the city's high quality of life, strong graduate employers, its accessibility, and its supporting institutions. These advantages will be further enhanced by Nottingham's regeneration plans, including the £250m redevelopment of the city centre and the £150m redevelopment of the Broadmarsh shopping centre. Such moves provide further incentives for ambitious companies to base themselves in Nottinghamshire; in the coming years, we expect the county's high-growth population to expand well beyond the 482 innovative companies covered in this report.

Nottinghamshire has diverse sectoral strengths, many of which are related to the region's industrial history. There are notable

populations of high-growth companies in construction and civil engineering, as well as in property and land development. Nottinghamshire also hosts high-growth companies in newer sectors such as the creative industries, software, and life sciences. This variety of skilled industries puts the region in good standing for continued equity investment; high-growth companies in Nottinghamshire's ecosystem have raised £437m over the last decade.

While much of the economic success of Nottinghamshire's high-growth population pre-dates the Levelling Up agenda, the £254m that the county has raised from the £4.8b Levelling Up Fund will help support more economic growth. This funding, combined with the significant equity investment raised to date by companies in Nottinghamshire, gives the high-growth ecosystem a solid foundation for future growth and innovation.

We'll be running an event with Invest in Nottingham on the 19th of January 2023 to further discuss Nottinghamshire's high-growth ecosystem and the data that underpins this report. Make sure you are signed up to our newsletter if you'd be interested in attending.

Nottinghamshire business demography summary

482

number of high-growth and innovative businesses

86

number of startups
(businesses incorporated in the last five years)

147

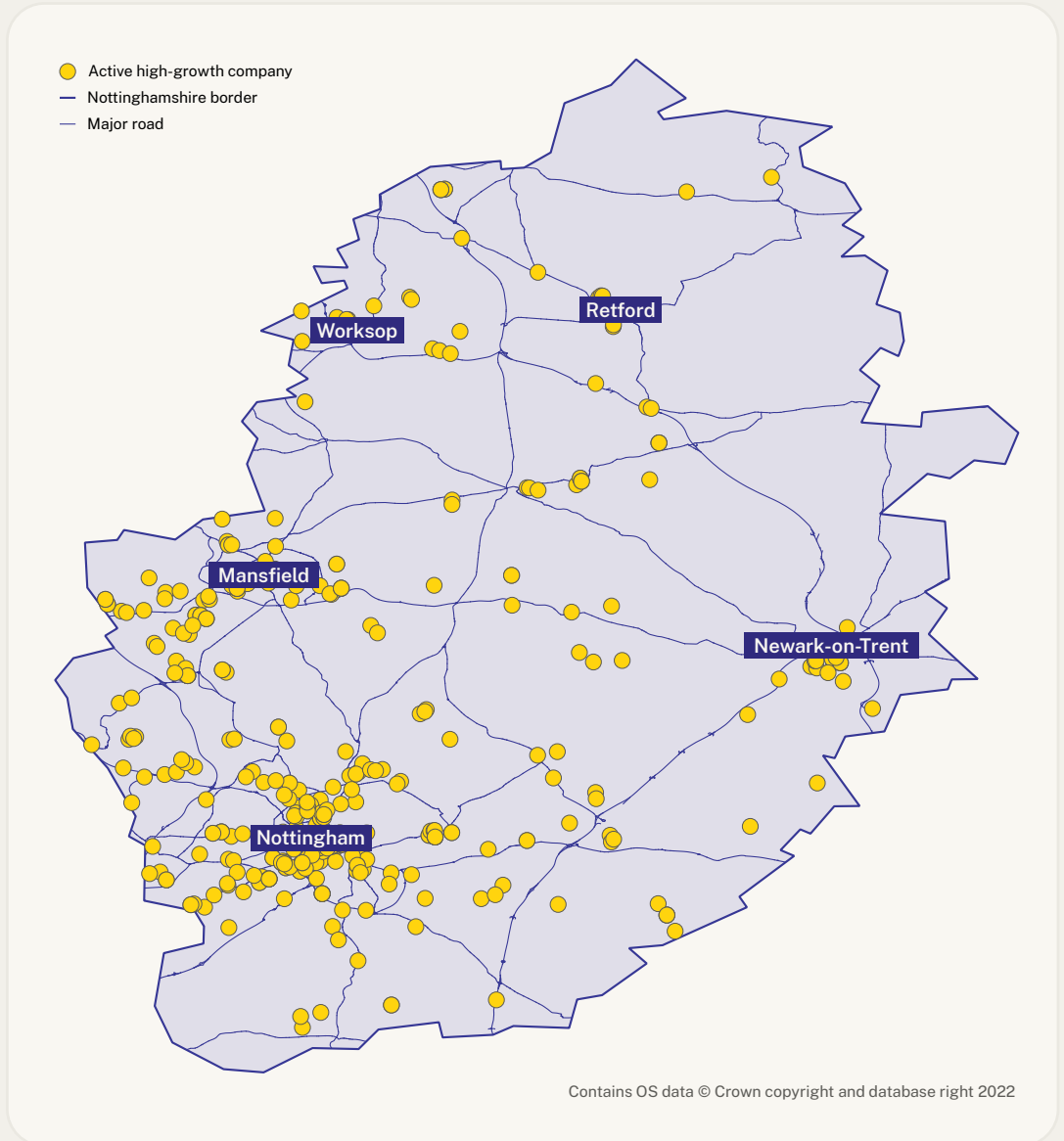
number of scaleups
(businesses incorporated in the last five years)

24

number of spinouts
(active spinouts headquartered in Nottinghamshire)

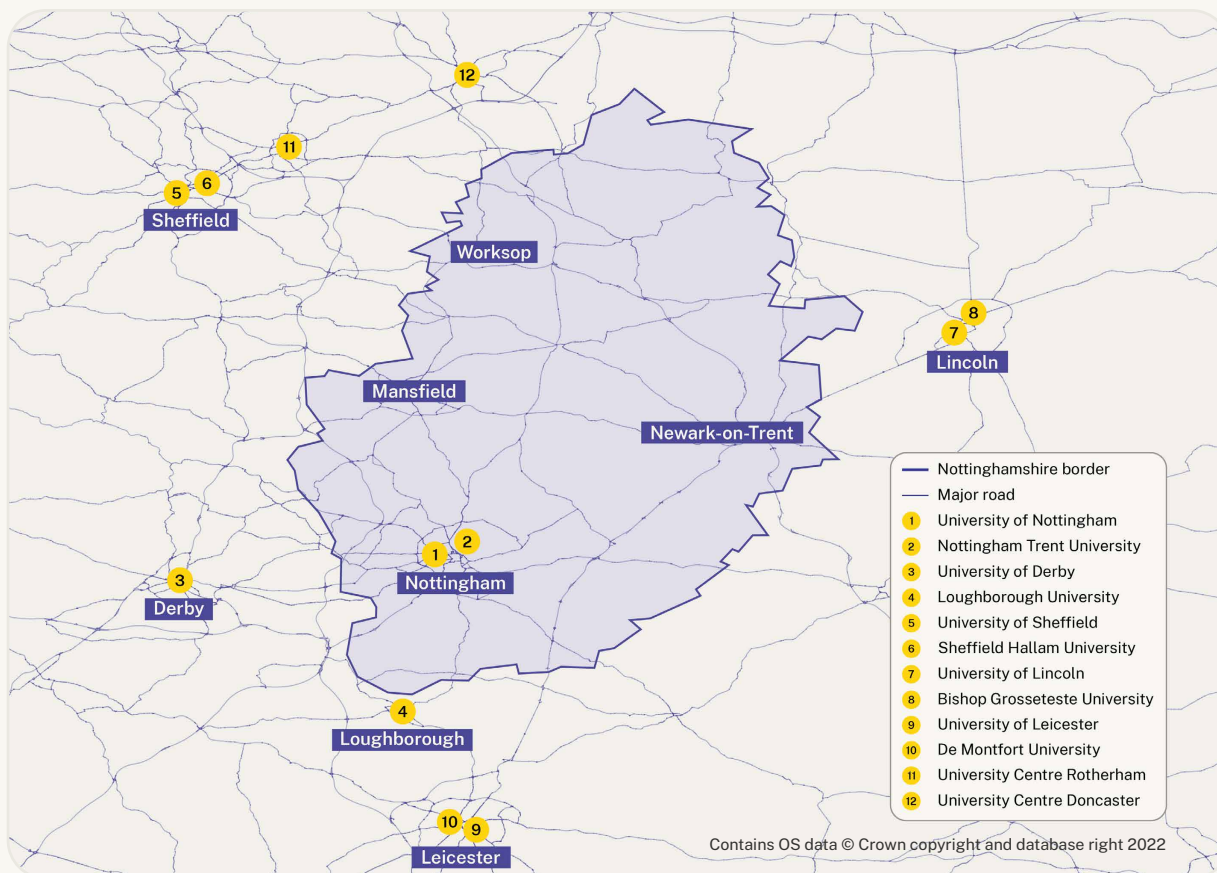
Nottinghamshire map

Locations of high-growth companies in Nottinghamshire (2022)



Nottinghamshire universities

Locations of universities in and surrounding Nottinghamshire (2022)











As shown above, the two key universities supporting companies in Nottinghamshire are the University of Nottingham and Nottingham Trent University. The former plays a significant role in the high-growth ecosystem in Nottinghamshire, with the majority of spinouts (72.4%) stemming from it, and this coincides with the high density of high-growth companies in Nottingham (as seen on the previous page).

The University of Nottingham Innovation Park is also an attractive prospect for research-intensive companies' headquarters, in part due to the ease of access to laboratory facilities and scientific equipment. There are also several major universities in close proximity to Nottinghamshire, and access to the facilities of these institutions may be a draw for many high-growth companies.

Top companies by growth

Headcount growth (year-on-year)

 BLUESKEYE AI	233%	BlueSkeye AI	Year incorporated: 2019 Sector: Healthcare products
 GeoPura	200%	GeoPura	Year incorporated: 2019 Sector: Cleantech
 The SKINNY FOOD CO. *****	175%	The Skinny Food Co	Year incorporated: 2018 Sector: Food and drink processors
 EDS	111%	Embroidery Design Solutions	Year incorporated: 2004 Sector: Textiles
 phenotypeca®	83.3%	Phenotypeca	Year incorporated: 2018 Sector: Research tools/reagents
 gmv NSL	76.6%	GMV NSL	Year incorporated: 1998 Sector: Aerospace
 DRONEDEFENCE	75.0%	Drone Defence	Year incorporated: 2017 Sector: Security services
 PODIUM	69.2%	Podium Solutions	Year incorporated: 2017 Sector: Software-as-a-Service

Companies with less than three employees in their base year, or those that have achieved headcount growth through acquisitions, were omitted.

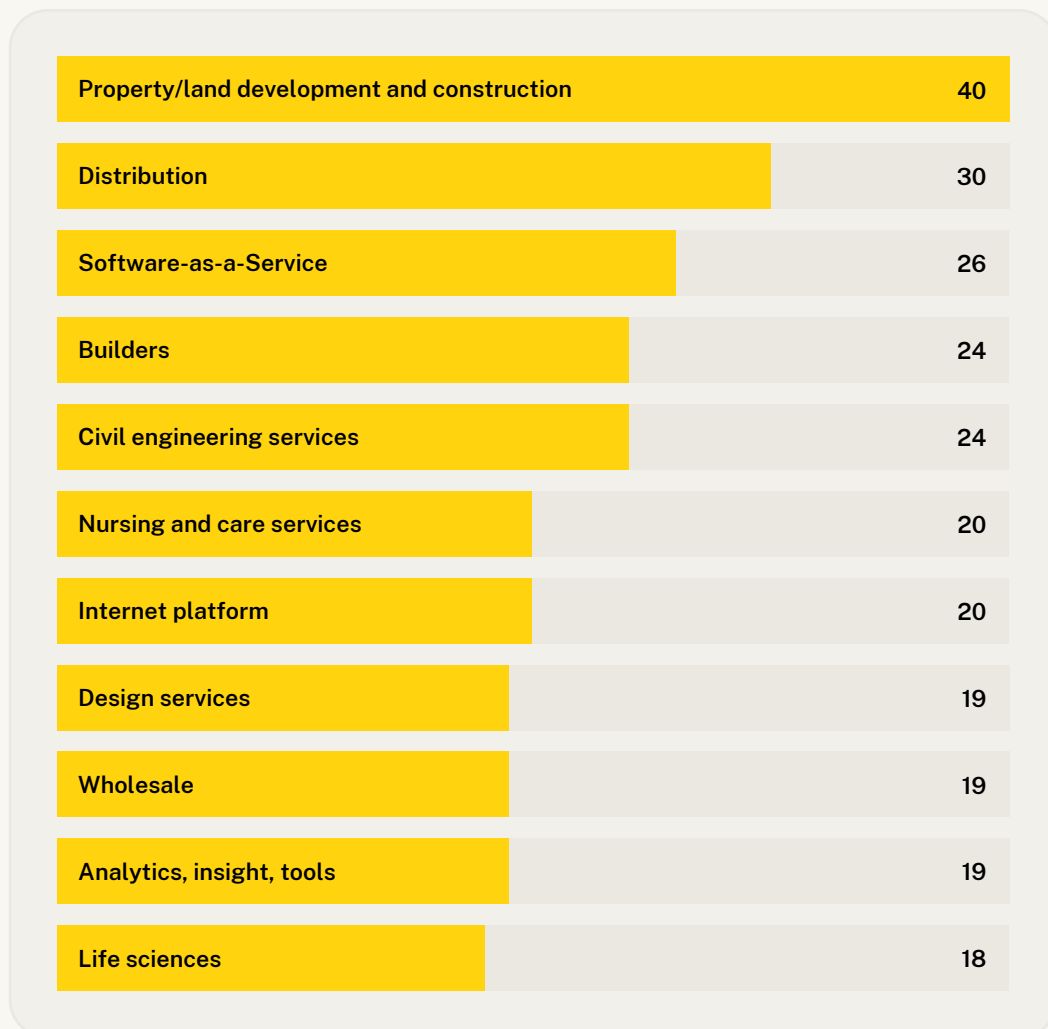
Top companies by investment

Private investment raised, including now exited companies (2012-2021)

	£107m	Quotient Sciences	Equity rounds: 2 Sector: Pharmaceuticals
	£48.7m	Huddle	Equity rounds: 7 Sector: Collaboration tools
	£20.2m	Lockwood Publishing	Equity rounds: 2 Sector: Online games publishing
	£18.7m	Locate Bio	Equity rounds: 6 Sector: Pharmaceuticals
	£18.3m	Worn Again	Equity rounds: 8 Sector: Clothing
	£16.0m	SDL Group	Equity rounds: 4 Sector: Property/land management
	£13.2m	PlayerLayer	Equity rounds: 6 Sector: Clothing
	£11.5m	Wattbike	Equity rounds: 1 Sector: Toys, games and sports equipment

Top sectors

Top sectors among high-growth companies in Nottingham (2022)




In Nottinghamshire, the most popular sector for ambitious and high-growth companies is property/land development and construction. The sector forms 8.30% of Nottinghamshire’s 482 tracked companies, and 6.08% of tracked companies nationwide. Tech sectors also feature prominently, with the sectors Software-as-a-Service; internet platforms; and analytics,

insight, tools all ranking highly. This aligns with the sector breakdown of high-growth companies across the UK.

The sub-sectors distribution, builders, and civil engineering services also feature significantly amongst Nottinghamshire’s high-growth companies, reflecting historical strengths in the county.

Spotlight sectors

• Software-as-a-Service

A decorative graphic on the left side of the page features a light purple globe with white latitude and longitude lines. Several interlocking gears are positioned around the globe: two green gears at the top, one green gear at the bottom, and two grey gears. Thin white lines radiate from the globe and gears, creating a sense of motion and connectivity.

Software-as-a-service (SaaS) companies develop software that serves a specific role or function. This software is then continuously updated and upgraded to improve customer experience. This sector boasts some of the largest companies in the world, such as Microsoft and Adobe, and can span a variety of industries, including adtech, insurtech and big data.

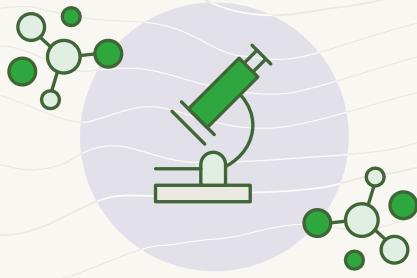
Nottinghamshire hosts Adzooma, which develops software for businesses to manage and analyse their digital marketing and has raised a total of £9.37m in equity funding over four rounds. Adzooma secured the most funding out of all of the Nottinghamshire-based SaaS businesses.

Nottingham-based wearables technology company Intoware also features among the top SaaS investees in Nottinghamshire, having secured £5.46m in equity funding over seven rounds. It develops software and wearable

technology that aims to improve workplace performance.

SaaS companies in Nottinghamshire have secured a combined total of £22.1m in equity funding – 5.06% of the total equity investment secured by companies in the region over the past decade. This includes a deal in April this year by Nottingham’s Percayso Inform, an insurtech business that secured £3.40m from investors including Praetura Ventures – a Manchester-based private equity firm. Nottinghamshire’s SaaS companies also employ a combined total of 1,407 employees, with a median headcount of 36, exceeding the county’s median headcount of 32.

SaaS is a growing sector in Nottinghamshire that has secured significant equity investment; it has an important role to play in the Nottinghamshire high-growth ecosystem, both now and in the future.



• Life sciences

The life sciences sector is a broad category that includes companies involved in the research, development, and commercialisation of products and services related to the science of living organisms. This covers companies innovating in areas such as pharmaceuticals, biotechnology, and research tools and reagents. Many of these companies in the high-growth ecosystem are using the latest advancements in computing to their advantage.

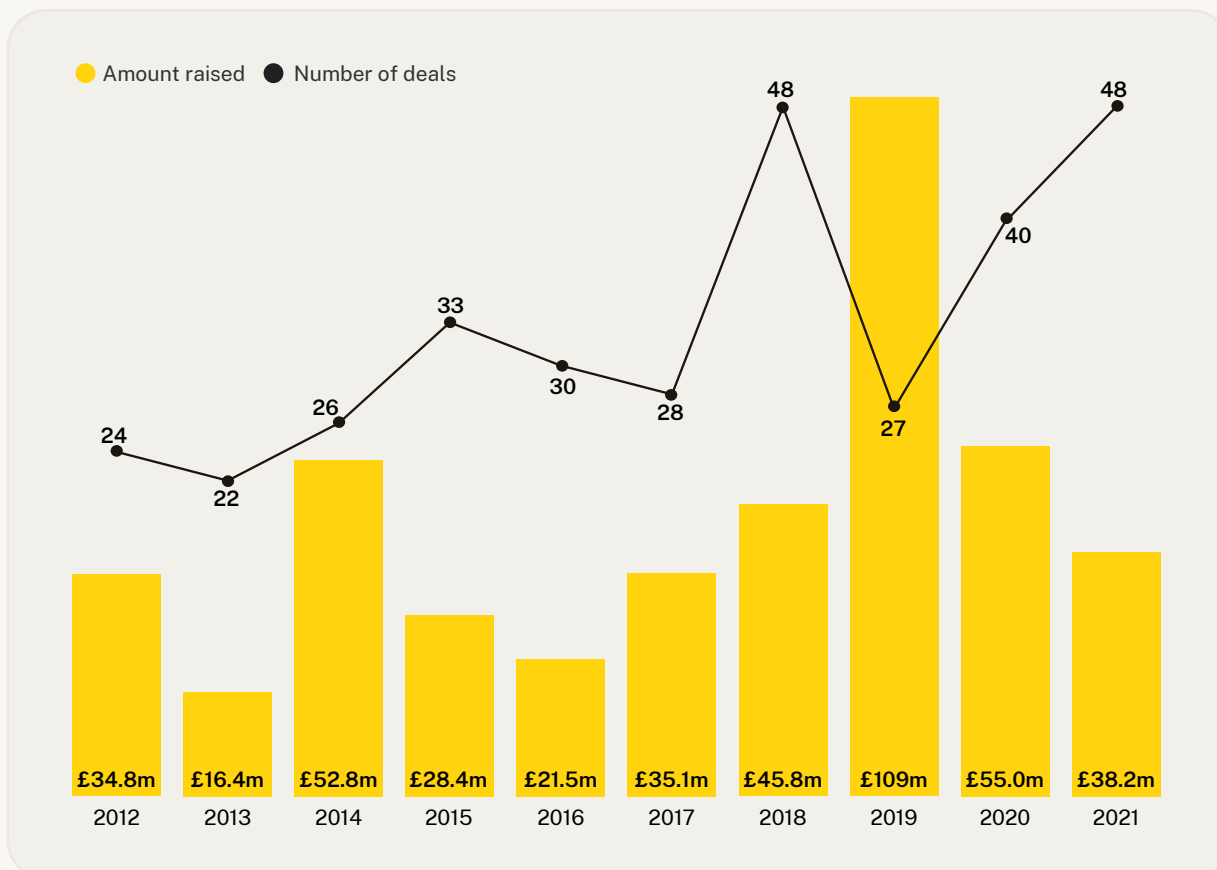
Several life sciences businesses are benefiting from the use of artificial intelligence (AI) in their drug discovery and development processes. This can be seen with Nottingham's AI-based pharmaceuticals company, Intelligent OMICS, which utilises machine learning to create drug development technology. Intelligent OMICS has secured a total of £3.95m in equity finance via two deals. The Biocity-based company also highlights the impactful role the two Nottingham universities play in the life sciences sector, having been spun out of Nottingham Trent University.

Life sciences businesses in Nottinghamshire have a total headcount of 712 employees, and have secured £137m in equity funding – 31.4% of all equity investment secured by companies in the region from 2012-2021. Included in these figures is an £11.9m deal by Locate Bio, which develops orthobiologic products that aim to accelerate the healing process of bone and cartilage injuries. The deal had participation from several significant investors into the region, including BGF Growth Capital and Mercia Fund Managers.

There can be little doubt about the success of the life sciences success in the region, with these companies finding frequent access to grant and equity funding, aiding their growth. The presence of Nottingham Trent University and the University of Nottingham also plays a role in the sector's success in the region, with their commercial support and facilities – and that of the other universities in the area – playing a vital role in supporting early-stage companies in spinning out and scaling.

Investment trends

Equity investment into companies in Nottingham (2012-2021)



The number, and value, of equity investments secured by companies based in Nottinghamshire have increased at different rates over the past decade. Between 2012 and 2021, the number of deals taking place doubled from 24 deals in 2012 to 48 in 2021, with some fluctuations along the way. Deal numbers in 2021 reaching the decade’s previous high may be

a reflection of increasing investor interest in early-stage life science companies.

Nottinghamshire-based companies secured an impressive £55.0m in 2020, which aligns with the growth seen in previous years. This is despite the risk-off approach seen by investors at that time, against the backdrop of Brexit and the COVID-19 pandemic.

Top investors

Top investors into high-growth companies in Nottingham by number of equity deal participations (since 2021)



From the 326 equity investment deals total, the crowdfunding platforms Crowdcube and Seeds ranked as two of the most frequent funders of high-growth companies in Nottinghamshire. This aligns with findings for the UK’s wider high-growth landscape, reflecting the ongoing importance of crowdfunding platforms for early-stage businesses.

These platforms are closely followed by regional funds focused on supporting businesses in Nottingham, including Foresight Nottingham Fund and the University of Nottingham, with the latter being prevalent due to the high proportion of spinouts (72.4%) coming out of the University of Nottingham.

Spinouts

Nottinghamshire-based spinouts raised a total of £42.0m in equity funding between 2012 and 2021. Of these spinouts, 72.4% are a result of commercialised research from the University of Nottingham, with Nottingham Trent University, Cranfield University and Loughborough University producing the remaining spinouts.

Locate Bio

Incorporated in 2001, and spun out of the University of Nottingham, Locate Bio develops orthobiologic products which are designed to accelerate the healing process of bone and cartilage injuries. The company has secured a total of £18.7m of equity backing.

Cheesecake Energy

Another spinout from the University of Nottingham and based in its Ingenuity Centre, Cheesecake Energy develops energy storage systems for renewable energy. Incorporated in 2016, the cleantech company has raised £4.70m through equity fundraising overall.

Asap Water Crafts

Incorporated in 2013, Asap Water Crafts spun out from Loughborough University, and creates electric-powered crafts, designed for leisure or rescue use by lifeguards. The company secured a total equity investment worth £450k.

Promethean Particles

Incorporated in 2007, Promethean Particles is a nanotechnology company spun out of the University of Nottingham. The company develops and manufactures custom-made inorganic nanomaterials and nanoparticle dispensers.

SurePulse

SurePulse was incorporated in 2012, and spun out of the University of Nottingham as a collaboration between the School of Electrical and Electronic Engineering and the Department of Academic Child Health. The company develops a vital sign monitoring device for newborn babies.

Esitu Solutions

Incorporated in 2019, Esitu Solutions is a product of Nottingham Trent University and works in the transport sector to improve driver safety. The company develops road safety products for drivers, specialising in video-based tests and training tools.

In total, 30 companies in the region have been spun out of academic institutions, with a majority coming from the University of Nottingham. This highlights the University's substantial role in the high-growth ecosystem in the region, with it managing its portfolio of spinouts through Nottingham Technology Ventures (NTV).

Accelerators

Technology Developer Accelerator Programme

This accelerator programme focusses on companies that are developing low carbon technology, products or services, especially those relevant to the automotive industry. It offers up to £135k in grant funding, technical support and business mentoring.

Entrepreneurial Spark

From 2012 to 2018, this programme was the most influential in Nottinghamshire, supporting 11 companies. Working in partnership with Natwest Group, the programme focused on developing people. It was later transferred to Natwest in 2018, where it became the 'Entrepreneur Accelerator'.

Innovation-to-Commercialisation of University Research (ICURE)

This programme aims to support research teams with innovative ideas at UK universities to establish whether there is market demand. Esitu Solutions, a Nottingham Trent University spinout, is an alumnus of the programme in 2019.

The Big House Accelerator

As the next most attended accelerator with seven companies, The Big House Accelerator is a programme for creative and digital businesses in Nottinghamshire and Derbyshire. It has been supporting businesses since 2016, and partners with Nottingham Trent University and The Creative Quarter.

We are Pioneer Group Business Accelerator

The programme supports life science entrepreneurs, with dedicated one-to-one coaching and weekly sessions. It lasts eight weeks and provides guidance on market adoption and scaling up, as well as access to networks of investors and industry experts.

Outlook for the future

The future looks promising for the high-growth company ecosystem in Nottinghamshire. Over 30% of high-growth companies active in the ecosystem are seed or venture stage, suggesting a fresh wave of innovative companies are aiming to make their mark in the region. Another healthy sign for Nottinghamshire is the diverse array of sectors that these companies span, from construction-related industries including builders and civil engineering services, to tech-related sectors such as software-as-a-service and internet platform.

£437m

equity investment secured 2012-2021

Fifty-six active and historically active companies in Nottinghamshire have benefitted from the accelerator programmes. With the closure of the Nottinghamshire-focussed Big House Accelerator programme – one of the most attended accelerators in the region – it is important that other initiatives and

organisations step up to support growing companies. The region may benefit from Nottinghamshire-focussed accelerator programmes to support the growing ecosystem and replicate the impact of the accelerators that have ceased operations.

We will continue to see ambitious, innovative companies spin out of the University of Nottingham, reflecting its willingness to fund these companies and commercialise research. It's reasonable to expect more of these companies to emerge and base themselves in Nottingham, in order to continue to benefit from the University's facilities and infrastructure.

The region has raised a total of £437m in equity investment via 326 deals over the past decade. While the value of these deals dropped slightly from 2020 to 2021, the equity investment statistics throughout the COVID-19 pandemic were largely positive, and the number of deals staying relatively high is a promising sign for investor activity in the region. As more Nottinghamshire companies innovate and scale, we can expect investor interest in the region to grow.

Methodology

Beauhurst identifies ambitious businesses using eight triggers (outlined on the right) that we believe suggests a company has high-growth potential. More detail on Beauhurst's tracking triggers is available via [our website](#).

Equity investment

To be included in our analysis, any investment must be:

- Some form of equity investment
- Secured by a non-listed UK company
- Issued between 1 January 2012 and 31 December 2021

Announced and unannounced fundraisings

An unannounced fundraising is an investment made into a private company that is completed without press coverage or a statement from the recipient company or funds that made the investment. These transactions are an integral part of the UK's high-growth economy, accounting for around 70% of all equity transactions.

High-growth tracking triggers



Equity investment



Scaleups



Accelerator attendances



MBOs/MBIs



Academic spinouts



High-growth lists



Major grant recipients



Venture debt



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Beauhurst is a searchable database of the UK's high-growth companies.

Our platform is trusted by thousands of business professionals to help them find, research and monitor the most ambitious businesses in the UK. We collect data on every company that meets our unique criteria of high-growth; from equity-backed startups to accelerator attendees, academic spinouts and fast-growing scaleups.

Our data is also used by journalists and researchers who seek to understand the high-growth economy, and powering studies by major organisations – including the British Business Bank, HM Treasury and Innovate UK – to help them develop effective policy.

For more information and a free demonstration, visit beauhurst.com



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Entrepreneurial and edgy, creative with an independent spirit; Nottingham drives change, and we want you to be a part of it.

Nottingham has everything you need to enable your business to thrive: financial solutions to support your business needs, access to a vast and strong talent pool, competitively low operational costs and a variety of premises to cater for businesses of all sizes from SMEs through to multinationals.

We also have two award-winning Universities in Nottingham that not only provide businesses an ongoing source of talent but also access to world-leading research and development capabilities.

We believe all of this, teamed with a fantastic quality of life, where there is something for everyone, makes Nottingham the very best place to live, work and do business.

 **Beauhurst**

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