

TECHIRELAND



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Q2

**STARTUP
FUNDING**

VIBES

2024

While fundraising activity in the first quarter of the year was poor, **the second quarter saw an uptick.**

The first half of 2024 saw a significant upturn in funding into the Irish tech sector. It's great to be the bearer of some good news after a pretty torrid two years for Irish startups and scaleups. And even better, while the first quarter of the year was pretty flat, the second quarter was the best quarter for a long time. But one swallow doesn't a summer make. It's probably too early to announce the end of the difficult funding environment for Irish tech. Let's hope the second quarter is a harbinger of better things to come, but it's still too early to count our chickens.

Overall, the **first half of 2024** has been a solid one for the Irish tech sector with **€552 Million** raised by **172 tech firms**.

Quarter two was the best performance of the last seven quarters with **€383 Million** raised across **62 rounds**.

Uptick in funding activity
was largely delivered by
**large later-stage
investments** that attracted
international funds.

The performance of early-stage pre-seed and seed companies continued last year's strong performance, largely helped by Enterprise Ireland's strong support for early stage tech businesses. Conversely, the noticeable uptick in funding activity in the second quarter of 2024 was largely delivered by large later-stage investments that attracted significant international funds. It's great to see some world class Irish tech businesses attract investment from global tech funds.

However, on a more sober note, funding for late seed and Series A - investments at the €1M to €4M level - continued to be flat, reflecting the challenging local funding environment and the difficulty in attracting international money for these relatively small rounds.

This late seed stage is a grey zone that is underserved by domestic funds. Funding for these late seed stage companies remains significantly below previous quarters and previous years.

Funding for late seed and Series A - investments at the €1M to €4M level - **continued to be flat...**

As always, tech investment tends to be skewed towards the larger cities. Dublin attracted two thirds of the investment, with significant investment into companies from Galway, Louth, Belfast and Cork, and smaller investments into companies across the island.

Enterprise Software was the sector that attracted the most investment in the second quarter, followed by Health, Fintech, Energy and Security. There was a noticeable increase in the number of Irish AI startups – an indicator of the next wave of tech.

Overall, the story is one of **cautious optimism** – there's room for hope, the patient is fragile but is sitting up and eating an egg!

A Solid Second Quarter -
Hope for Things to Come?

Funding into Irish tech startups in Q2 this year was the best performance of the last seven quarters.

€383 Million was raised across **62 rounds**.

This is reassuring given that the year got off to a very sluggish start - Q1 2024 was the worst in the past 13 quarters.

Q2 this year was the best performance of the last seven quarters.
€383 Million was raised across **62 rounds**.

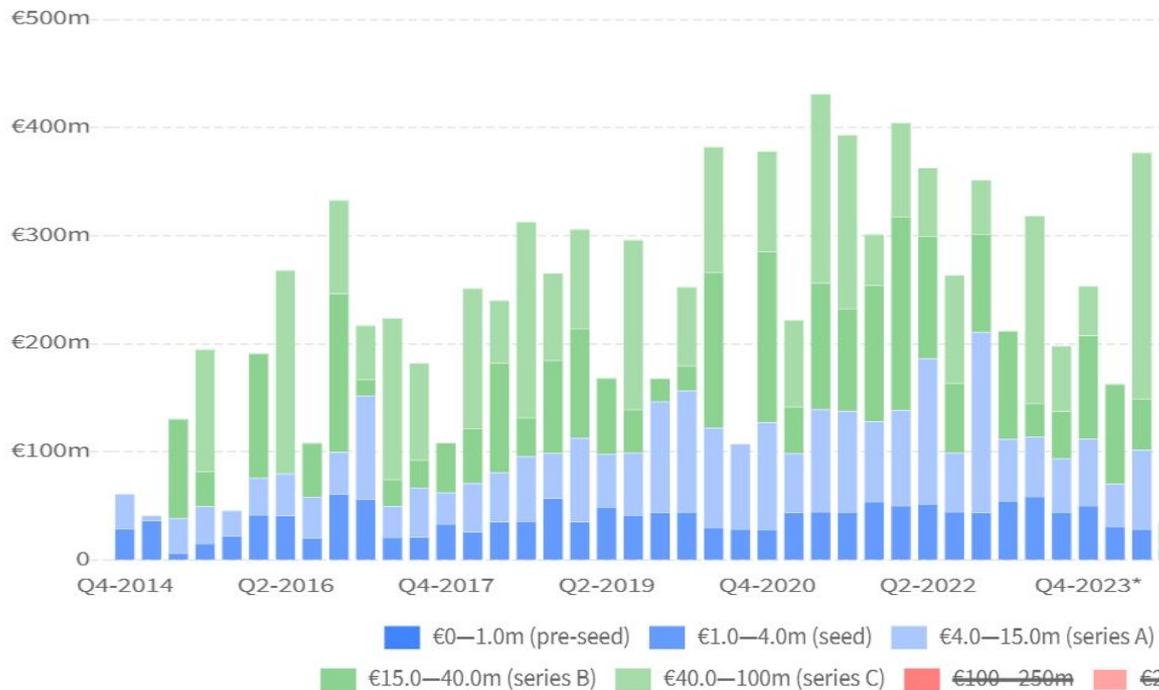
H1 2024
has been a good one for the
Irish tech sector with
€552 Million raised by a
total of **147 tech firms**.

However, we note that Q1 2024 was the worst of the past 13 quarters on record.

As the year progresses, we might have to wait to see if the recovery in Q2 will continue to hold and support further growth and opportunities.

On a year-on-year basis, Q2 2024 is significantly better than Q2 last year which saw **€323 million** invested in **113 companies**.

[Source Link: [Click here](#)]



However, funding for late seed and Series A - investments at the €1M to €4M level - continued to be flat.

This is a grey zone that appears to be underserved by domestic funds, and these relatively small rounds are probably below the radar of international investors. As the graph below shows, funding for the late seed stage companies remains significantly below previous quarters and previous years.

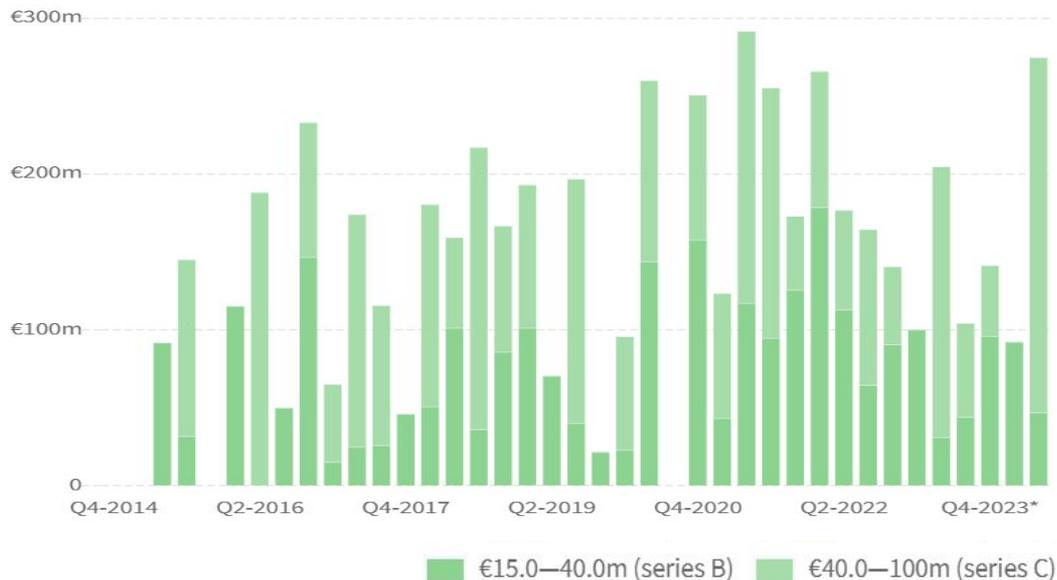


Given the poor performance at the €1 - €4 m level, how did this year's second quarter become the best for Irish tech investment in the last seven quarters?

As is usually the case, the increase was driven by a relatively small number of large investments.

An impressive **€275 m** was raised in Q2 in what we define as **+Series B rounds (€15 m to €40 m)**. This funding was concentrated in six companies.

And for the very largest investments, Q2 was the **second best Q2 on record for growth rounds**, such as SyOx Therapeutics (€70.3m), Accounts IQ (€60m), GridBeyond (€52m), Tines (€45m) and XOCEAN (€45m).



What changed from Q1 to Q2 across deal sizes and number of rounds?

	Q1 2024		Q2 2024	
	Total Funding	# Rounds	Total Funding	#Rounds
Over €30m	€0 m	0	€258 m	5
€10m to €30m	€62 m	4	€64 m	5
€5m to €10m	€26 m	4	€13 m	2
€2m to €5m	€16 m	7	€19 m	6
€1m to €2m	€6 m	4	€13 m	10
Less than €1m	€5 m	18	€7 m	42
Undisclosed		53		12

The reason for the dramatic increase in investment in the second quarter was **growth investments over €30 m**. There were no investments of that scale in the first quarter but there were **five investments with a total of €258 m in the second quarter**. As always, given the small sample size in Ireland, these large outlier investments drive the overall total.

Regions:

In terms of regions, Dublin as usual garnered the lion's share of investment. Dublin-based companies secured 67% of the total funding on the island of Ireland in the first half of 2024 and a similar proportion of the companies funded. Galway, Louth and Belfast also saw significant investments:

Region	#Companies	Q1 Funding	#Companies	Q2 Funding
Northern Ireland				
Belfast	4	€21 m	3	€3
Republic of Ireland				
Dublin	56	€41 m	29	€289 m
Galway	6	€31 m	2	€16 m
Louth	1	€17 m	1	€30 m
Cork	8	€6 m	5	€12 m
Carlow	1			
Clare	1		1	
Donegal	1			
Kildare	4		2	€5 m
Meath	1		2	€10 m
Roscommon	1			
Tipperary	1			
Waterford	2			
Mayo	1			
Wexford	1			
Wicklow	1			
Limerick			2	€5 m
Offaly			1	
Total	90	€116 m	48	€371 m

Top rounds for
Dublin-based
companies:

NAME	H1 2024 Funding	Location	Activity
XOCEAN	€30 m	Louth	Data and analytics for the ocean economy
HALO	€18 m	Belfast	Body-worn camera technology
Mbryonics	€18 m	Galway	Photonics and Optics System
Intact Software	€17 m	Louth	Accounting & bus. management software
Luminate Medical	€12 m	Galway	Technologies for cancer care
Zartis	€10 m	Cork	Software consulting
Novelplast	€10 m	Meath	Innovative recycled plastic

Top rounds
in regions
outside Dublin:

NAME	H1 2024 Funding	Activity
SynOx Therapeutics	€70 m	Pharmaceutical development
AccountsIQ	€60 m	Intelligent Accounts Automation Software
GridBeyond	€52 m	Intelligent energy technology
Tines	€45 m	Workflow Automation Software
Spectrum.Life	€17 m	Digital health, mental health and well-being
Nory	€15 m	Restaurant operating software

Investment into industry sectors in Q2 2024 - compared to previous quarters

The heatmap below shows investment into the various sectors - darker colour for the sectors that are getting increased investment.

Q2 showed a strong performance across all major sectors after a period in H2 2023 when energy and energy infrastructure dominated investment. Enterprise Software, Health and FinTech bounced back somewhat after a number of very weak quarters.

Amount of Funding into top sectors:

Industry	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Enterprise Software	€15.5m	€98.2m	€16.8m	€25.1m	€20.2m	€127m
Health	€108m	€20.3m	€75.3m	€71.8m	€12.6m	€116m
FinTech	€16.5m	€59.9m	€1.9m	€27.1m	€19.7m	€71.6m
Energy	€31.7m	€79.6m	€217m	€49.2m	€4.7m	€62.0m
Security	€4.2m	€15.0m	-	€19.9m	€18.2m	€45.5m
Robotics	-	-	-	€2.8m	-	€30.0m

Number of Rounds in top sectors:

Industry	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Health	22	12	14	12	15	16
Enterprise Soft.	11	21	10	11	21	11
Energy	11	6	9	5	5	6
Fintech	3	9	4	4	6	5

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