

Press release

Ministers Coveney and McGrath welcome first allocation of funding under Irish Innovation Seed Fund (IISF)

From [Department of Enterprise, Trade and Employment \(/en/organisation/department-of-enterprise-trade-and-employment/\)](/en/organisation/department-of-enterprise-trade-and-employment/).

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Minister for Enterprise, Trade and Employment, Simon Coveney, and the Minister for Finance Michael McGrath have welcomed the announcement of a commitment of up to €35 million to WakeUp Capital, in what is the first allocation from the Irish Innovation Seed Fund (IISF).

The Irish Innovation Seed Fund Programme was launched in 2022 and is a €90 million fund-of-funds, made up of a €30 million investment from the Department of Enterprise, Trade and Employment, through Enterprise Ireland, which is matched by a €30 million investment from the European Investment Fund, and a €30 million co-investment from Ireland Strategic Investment Fund.

WakeUp Capital is an early stage impact fund focussing on sustainability and sustainable investment in the areas of clean energy and environmentally focussed investments such as innovative technology, agriculture solutions, waste treatment and energy technology

as well as services and technologies that support financial inclusion. WakeUp Capital are targeting a fund of up to €50 million and under the terms of the IISF, the funding partners can allocate up to 70% of a chosen fund.

Minister for Enterprise, Trade and Employment, Simon Coveney, commented:

"I am very pleased to announce the first commitment of €35 million to WakeUp Capital under the Irish Innovation Seed Fund Programme. This fund of funds programme will both increase early-stage funding for SMEs and strengthen the market for the provision of seed investment. It is an important step in supporting our indigenous, high potential and high innovation enterprises to reach their full potential.

"Our Programme for Government identified the importance of backing entrepreneurs and investors in innovative start-ups to reignite and renew our economy. And this announcement supports government's ambition.

"The Irish Innovation Seed Fund Programme is targeted at supporting seed stage SMEs across the State and prioritises areas such as sustainability, climate change and female entrepreneurship. The €90 million fund brings together three experienced partners, Enterprise Ireland, the Ireland Strategic Investment Fund and the European Investment Fund, whilst at the same time leveraging significant additional private investment.

"SMEs play a significant role in the growth of the Irish economy, with almost two thirds off all those in employment across the State being employed in an SME. Having access to appropriate sources of funding allows our SMEs to develop and grow, which further benefits our economy."

Minister for Finance Michael McGrath added:

"I very much welcome the first allocation of funding from the €90 million Irish Innovation Seed Fund Programme to WakeUp Capital, an early stage fund whose impact themes include sustainable production and consumption, health equity and inclusive and accessible services.

"The deployment of €35 million to WakeUp Capital will support the targeted investment goals of this fund, which includes supporting innovative companies in the sustainability and climate change sector, healthcare, fintech, food and agri-tech, technology and digitalisation.

"The Irish Innovation Seed Fund Programme brings together three experienced partners in SME Funding, the European Investment Fund and Enterprise Ireland, with the Ireland Strategic Investment Fund participating as a co-investor, all working together to identify opportunities to deploy capital which will be invested into innovative Irish and European companies.

"The growth of indigenous business is a cornerstone of our economic model and the government is committed to helping high-growth SMEs access the funding they require to allow them to reach their full potential. Working together, these funding partners will deliver an ambitious programme which will support our SMEs now, and as they innovate for future growth to the ultimate benefit of our economy."

Faye Walsh Drouillard (founder) and Mark Peters (co-founder) from WakeUp Capital added:

"This anchor investment in WakeUp Capital enables us to broaden our investing in sustainable and inclusive Irish and European technology startups working to solve the biggest challenges of our lifetime. European standards and regulations alongside capital and investments will lead the way in terms of how quickly climate and inclusive innovation will be widely adapted in the rest of the world.

"We applaud the foresight and commitment of the European Investment Fund, Irish Strategic Investment Fund and Enterprise Ireland in leading the Irish Innovation Seed Fund Programme. Backing new and impactful VC fund managers is a catalyst for other funds and governments as we all transition to this next phase of a purpose driven economy."

Leo Clancy, CEO of Enterprise Ireland said:

"At Enterprise Ireland, we recognise the value of early-stage funding to high potential start-ups. Our Fund partners, who invest in and support these innovative early-stage companies are critical to the development of the underlying ecosystem, resulting in a substantial increase in the number of new high growth companies in Ireland. We welcome today's announcement of the first allocation of funding through the IISF from Enterprise Ireland, ISIF and EIF to WakeUp Capital whose target sectors very much align to Enterprise Ireland's strategic ambition in driving the sustainability agenda and supporting Irish enterprise to make the transition to a low-carbon, resource-efficient economy of the future."

Nick Ashmore, Director of the Ireland Strategic Investment Fund said:

"This first allocation of funding from the Irish Innovation Seed Fund Programme to WakeUp Capital is a great example of the Programme's purpose to target investment in priority areas such as female entrepreneurship, regional development, and climate change.

"The Programme will provide vital capital to innovative Irish companies at the crucial seed stage and will be an important step in developing and growing the Irish equity ecosystem.

"Furthermore, emerging impact businesses such as those WakeUp Capital invest in, have a huge role to play in areas like Ireland's transition to Net Zero, which aligns with one of ISIF's key investment theme and ambition to invest €1 billion over a 5-year period in climate-related projects."

Marjut Falkstedt, CEO of the European Investment Fund concluded:

"The European Investment Bank Group is committed to accelerating innovation investment in Ireland. Under the Irish Innovation Seed Fund Programme, we are very happy to see our partnership with Enterprise Ireland and the Ireland Strategic Investment Fund begin to bear fruit. This commitment to WakeUp Capital underlines our shared objective of supporting new VC fund managers that address important societal challenges in Ireland such as environmental sustainability and social inclusion. The female-led investment team will invest in early-stage Irish start-ups developing innovative and disruptive technologies. As cornerstone investors, we are now excited to see other investors commit to the fund and support the innovation ecosystem in Ireland."

Background

The Irish Innovation Seed Fund Programme is a €90 million fund-of-funds, made up of a €30 million investment from the Department of Enterprise, Trade and Employment, through Enterprise Ireland, which is matched by a €30 million investment from the European Investment Fund, and a €30 million co-investment from Ireland Strategic Investment Fund. As a fund-of-funds, the programme will invest in other specialist fund managers who will target high growth innovative companies based on disruptive intellectual property, who are at the early stages of external funding for innovative, high growth, scalable sectors.

As part of Budget 2021, the Minister for Finance proposed the establishment of an equity fund for early-stage seed and growth capital. A working group comprised of representatives from the Department of Finance, the Department of Enterprise, Trade and Employment (DETE), ISIF, Enterprise Ireland (EI), the European Investment Bank (EIB) and the European Investment Fund (EIF) conducted a market mapping exercise and

identified an acute need for additional support in the seed funding market. This segment of the market continues to be an area of high demand in Ireland, and it has proved very challenging to attract market funding for early-stage companies.

The fund was launched in 2022 by the Tánaiste and Minister for Enterprise, Trade and Employment, Leo Varadkar, and Minister for Finance Paschal Donohoe.

What a Fund of Funds is

Essentially, the Fund of Funds invests in specialist fund managers, who then source companies with strong potential for a commercial return on investment. The specialist fund managers pool funding from multiple investors, both public and private, which creates capital for these high potential companies.

The Fund

Investment in innovation is an essential component of supporting an enterprising and productive economy. Government support for innovation assists in creating and maintaining high-value jobs and helps to attract investment and develop business in Ireland.

The fund will target SMEs who will typically be high growth innovative companies based on disruptive intellectual property and who are at the early stages of seeking external funding in innovative, high growth, scalable sectors including:

- Lifesciences

- Healthcare and Pharma
- Food and Agritech
- Technology and Digitalisation
- Climate and Sustainability

The programme will focus on supporting key priorities such as female entrepreneurship, regional development and sustainability.

Further successful fund managers will be announced in the coming months.

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